

To a lesser extent, claimants also made overstatement errors when calculating their indirect costs. San Diego County's errors resulted in an estimated overstatement of \$21,000. In addition, Stockton incorrectly calculated its indirect cost rate, resulting in an estimated overstatement of \$20,000.

The city of Los Angeles and San Diego County could have claimed higher amounts in some areas. To determine indirect costs, the city of Los Angeles used the component that calculates departmental overhead rather than also using the component that calculates citywide central service costs, resulting in a significantly lower amount claimed. From our review of the claiming instructions issued by the Controller, we determined that nothing prohibited the city of Los Angeles from using both components. In fact, the city did use both components on its peace officer rights claim. This resulted in a \$361,000 understatement of indirect costs on the city's claim.

San Diego County claimed the much lower costs associated with an after-hours redemption process rather than costs associated with holding its shelters open on Saturday.

San Diego County claimed the much lower costs associated with an after-hours redemption process rather than costs associated with holding its shelters open on Saturday. The county employee who prepared the claim explained that he claimed the redemption process because he initially believed it was this process that enabled the county to employ the four-day holding period on all its animals. Although this may be the case, we found nothing in the parameters and guidelines that required local entities to identify and claim only for the practice that allowed them to employ the four-day holding period on all its animals. Therefore, we found that San Diego County would have been entitled to claim the higher costs associated with opening its shelters on Saturdays. San Diego County estimates that it costs \$170,000 to hold its shelters open on Saturdays. Because it claimed \$27,000 for establishing the after-hours process, we estimate that San Diego County would have been entitled to an additional \$143,000 if it had claimed for Saturday costs instead. San Diego County concurs that its claim contained errors and stated that it intends to file an amended claim.

In addition, San Jose did not need to claim \$117,000 in excess dog license revenue, or revenue in excess of the costs of administering the dog license function, as an offset. As discussed earlier in this chapter, these revenues can be applied to other costs, such as field operations, before being applied to shelter costs covered under the animal adoption mandate. San Jose had field operation costs far exceeding its excess dog license revenue and could have applied the revenues to those costs rather than including them in its animal adoption claim.

RECOMMENDATIONS

To ensure that local entities receive reimbursement only for costs associated with the increased holding period for eligible animals, the Legislature should direct the Commission to amend the parameters and guidelines of the animal adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space. Specifically, if a local entity acquires or builds a new shelter facility that is larger than needed to comply with the increased holding period, the formula needs an additional factor to isolate the costs associated with the increased holding period from the costs incurred to meet other needs, such as preexisting shelter overcrowding or predicted animal population growth.

If the Commission amends the parameters and guidelines of the animal adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space, the Controller should amend its claiming instructions accordingly and require local entities that have claimed such costs to amend their claims to address the change.

To assist local entities in preparing mandate reimbursement claims, the Commission should include language in its parameters and guidelines to notify claimants and the relevant state entities that the statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines; it also should point out that the support for such legal and factual findings is found in the administrative record of the test claim.

To ensure that local entities have prepared reimbursement claims for the peace officer rights mandate that are consistent with the Commission's intent, the Controller should audit claims already paid under that mandate. In conducting the audit, the Controller should pay particular attention to the types of problems described in this report. If deemed appropriate based on the results of its audit, the Controller should do the following:

- Request that the Commission amend the parameters and guidelines to address any concerns the Controller identifies.
- Amend the claiming instructions and require local entities who have filed claims to adjust their claims accordingly.

- Seek statutory changes, if needed, to accomplish any identified amendments and to ensure that the amendments can be applied retroactively to all claims submitted.

To clarify which costs are reimbursable under the administrative activities section of the peace officer rights mandate parameters and guidelines, the Controller should request that the Commission amend the parameters and guidelines to better explain what activities are included in "updating the status of the cases."

To ensure that local entities claim reimbursement for appropriate costs under the animal adoption mandate, the Controller should amend the claiming instructions or seek an amendment to the parameters and guidelines to emphasize that average daily census must be based on *all* animals housed to calculate reimbursable costs properly under the care and maintenance section of the parameters and guidelines.

To ensure that local entities develop and maintain adequate support for costs claimed under all state mandates, the Controller should finalize its guidance on what constitutes an acceptable time study for local entities to follow and under what circumstances they can use a time study to estimate the amount of time their employees spend on reimbursable activities.

All local entities that have filed, or plan to file, claims for reimbursement under the peace officer rights or animal adoption mandate should consider carefully the issues raised in this report to ensure that they submit claims that are for reimbursable activities and that are supported properly. Additionally, they should refile claims when appropriate. Further, if local agencies identify activities they believe are reimbursable but are not in the parameters and guidelines, they should request that the Commission consider amending the parameters and guidelines to include them. ■

CHAPTER 2

Structural Reforms Are Needed to Identify Mandate Costs More Accurately and to Ensure That Claims Reimbursement Guidance Is Consistent With Legislative and Commission Intent

CHAPTER SUMMARY

As described in the Introduction of our report, state and local entities participated extensively in the administrative process for the Peace Officers Procedural Bill of Rights (peace officer rights) and animal adoption mandates. However, as described in Chapter 1, we questioned a high level of costs during our review of claims. These problems highlight the need for structural reforms of the process to ensure that local entities claim reimbursement for activities that are consistent with legislative intent and the parameters and guidelines. Additionally, changes are needed to estimate mandate costs better. Audits of mandate reimbursement claims do not occur in time to identify and correct potential claiming errors that can lead to reporting and payment of nonreimbursable costs for a mandate.

Also, the statewide cost estimate is not a good indicator of future mandate costs to the Legislature because it is based on incomplete data. This problem is compounded because the Commission on State Mandates (Commission) staff do not adequately analyze the data used to prepare the cost estimate and the Commission's report to the Legislature does not disclose how incomplete the data are. Further, according to Commission staff, a lack of staffing and a high caseload of test claims likely will delay the Commission's development of statewide cost estimates for future mandates. This in turn will delay notification to the Legislature of the potential cost of mandates and, ultimately, payments to local entities.

CLAIMS AUDITS DO NOT OCCUR EARLY ENOUGH TO IDENTIFY POTENTIAL ERRORS OR NEEDED REVISIONS TO THE PARAMETERS AND GUIDELINES

Audits of mandate reimbursement claims performed by the State Controller's Office (Controller) do not occur early enough to identify potential claiming errors and needed revisions to the parameters and guidelines. The Controller has the authority to review claims and to suggest changes to the parameters and guidelines; however, its general practice is to conduct field audits after claims are paid. In the case of the peace officer rights mandate, the Controller's staff told us it does not intend to perform any audits pending the outcome of our review, even though some of the claims have been paid. In addition, staff indicated that the Controller's focus is on auditing paid claims to ensure that any inappropriate claiming could be identified before the three-year statutory time limit for auditing claims expires. Therefore, the Controller has not performed audits of the animal adoption claims because the Legislature has not appropriated funds to pay them. However, Chapter 1 illustrates that a significant portion of claims already filed are questionable and that changes are needed to ensure that the State pays only for appropriate costs.

Under current regulations, the Controller does not have sufficient time to perform a field review that could result in changes to the parameters and guidelines that would apply to the first set of reimbursement claims.

Although field audits of reimbursement claims afford the Controller an opportunity to suggest changes to the parameters and guidelines, these changes affect only future reimbursement claims under the Commission's current regulations and would not affect the parameters and guidelines for any claims that local entities already have submitted, including the first set of claims to be submitted (initial reimbursement claims). The initial reimbursement claims can involve multiple years of costs. For example, the initial reimbursement claims for the peace officer rights mandate included six years of costs. Under current regulations, the Controller would need to request an amendment to the parameters and guidelines before the deadline for filing initial reimbursement claims in order to affect them. The Controller may not receive a majority of the initial claims until the initial filing deadline, so it does not have sufficient time to perform a field review that could result in changes to the parameters and guidelines that would apply to the initial reimbursement claims. Although the Controller later can question the amount of a paid claim based on a subsequent audit and reduce any claim it determines is excessive or unreasonable, this puts the State in the position of cost recovery on a claim-by-claim basis instead of ensuring that claims are reasonable before paying them. Therefore, structural reform is

Controller field reviews before the original parameters and guidelines are considered final would help identify and correct problem areas before the State pays for claims.

needed to provide the Controller an opportunity to perform a field review of initial reimbursement claims before the original parameters and guidelines are considered final.

We would not expect the Controller to review initial claims for every new mandate, particularly small ones. Thus, the change we are proposing should not require the Controller to perform a review of all new mandates, but should continue to afford the flexibility it currently has. Commission staff stated that the Commission can seek a regulatory amendment to change the filing deadline for requests to amend the parameters and guidelines. Therefore, it can seek a regulatory change to allow the Controller sufficient time to perform field reviews of reimbursement claims and request needed changes to the parameters and guidelines that would apply to initial claims before the development of the statewide cost estimate. Although this would lengthen the administrative process and might require local entities to adjust their initial reimbursement claims, the field reviews would help identify and correct problem areas before the State pays for claims. This also would help the Commission report a more accurate statewide cost estimate.

THE COMMISSION'S STATEWIDE COST ESTIMATES ARE NOT GOOD INDICATORS OF FUTURE MANDATE COSTS

The Commission's statewide cost estimates do not provide a good indication of the future costs of mandates. Although Commission staff base their projections of future costs on the initial claims submitted to the Controller, these estimates are based on incomplete information because the number and dollar amount of the initial claims are subject to change for up to one year after the initial filing deadline. As a result, the level of claims local entities ultimately submit for a particular year often exceeds the Commission's estimated costs. In particular, as of April 2003, local entities submitted additional or amended initial claims exceeding the amounts included in the Commission's statewide cost estimates for the peace officer rights mandate by a total of \$46.7 million and animal adoption mandates by a total of \$8.9 million. The effect of this incomplete data is compounded because the Commission uses that data to project costs in future years when reporting to the Legislature as required by Government Code, Section 17600. For one of the two mandates we reviewed, Commission staff did not adjust for anomalies in the initial claims data when developing cost estimates, and the Commission's reports to the Legislature

did not adequately disclose how incomplete the data are for both mandates. As a result, the Commission's estimates are understated and users of the estimates may not understand how incomplete they are.

Based on initial claims data for the peace officer rights mandate, as of March 2001, the Commission estimated costs to the State of \$152.5 million for the eight-year period of fiscal years 1994-95 through 2001-02. Local entities actually submitted \$223.5 million in claims for these years as of April 2003, \$71 million more than the estimate. In developing the estimate, Commission staff used the \$100.3 million in initial claims local entities submitted by March 2001 for the first six years of costs. However, as shown in Table 6, by April 2003, the Controller already had received \$147 million in claims for these six years, \$46.7 million more than the estimate. In addition, because the actual claims data Commission staff used were incomplete, the projections they developed for fiscal years 2000-01 and 2001-02 based on the actual claims data also were understated. As of April 2003, the Controller received about \$24.3 million more in claims for fiscal years 2000-01 and 2001-02 than the Commission projected in its estimate. Furthermore, local entities can submit late or amended claims for fiscal year 2001-02 until January 2004, so this difference will likely increase.

TABLE 6
Peace Officer Rights Mandate Amounts Claimed Initially
Compared With Amounts Claimed as of April 2003
(Dollars in Millions)

Fiscal Year	As of March 2001		As of April 2003		Increase in Amount Claimed
	Number of Claims Filed	Total Dollars Claimed	Number of Claims Filed	Total Dollars Claimed	
1994-95	165	\$ 11.2	214	\$ 18.4	\$ 7.2
1995-96	182	13.6	241	21.1	7.5
1996-97	185	13.8	243	21.6	7.8
1997-98	191	15.8	250	22.9	7.1
1998-99	194	21.0	253	28.7	7.7
1999-2000	201	24.9	262	34.3	9.4
Totals	1,118	\$100.3	1,463	\$147.0	\$46.7

Source: Claims on file with the State Controller's Office.

For animal adoption, the Commission estimated that the mandate would cost \$79.2 million for fiscal years 1998–99 through 2003–04. Commission staff based the estimate on the \$51.9 million in claims filed with the Controller as of December 2002 for fiscal years 1998–99 through 2001–02. However, as shown in Table 7, local entities submitted \$60.8 million in claims for these years as of April 2003, \$8.9 million more than the estimate. This difference likely will increase because they can submit late or amended claims for fiscal year 2001–02 until January 2004. In addition, because the claims data were incomplete, the \$27.3 million in costs Commission staff projected for fiscal years 2002–03 and 2003–04 are likely understated as well.

TABLE 7

**Animal Adoption Mandate Amounts Claimed Initially
Compared With Amounts Claimed as of April 2003
(Dollars in Millions)**

Fiscal Year	As of December 2002		As of April 2003		Increase in Amount Claimed
	Number of Claims Filed	Total Dollars Claimed	Number of Claims Filed	Total Dollars Claimed	
1998–99	149	\$ 3.7	163	\$ 3.9	\$0.2
1999–2000	255	17.5	269	17.8	0.3
2000–01	277	17.6	289	18.1	0.5
2001–02*	215	13.1	279	21.0	7.9
Totals	896	\$51.9	1,000	\$60.8	\$8.9

Source: Claims on file with the State Controller's Office.

* Fiscal year 2001–02 claims are open for amendment until January 15, 2004.

Moreover, Commission staff did not adjust for anomalies in the actual claims data when they developed the projections for fiscal years 2002–03 and 2003–04, which led to a further understatement of costs. Specifically, they did not fully consider the amount of animal adoption claims filed related to all the previous four years. Instead, they used the data related only to the fiscal year 2001–02 claims plus a minor increase for each year based on growth factors obtained from the Department of Finance (Finance). However, as Table 7 shows, the Controller received only 215 claims as of December 2002 for fiscal year 2001–02, far less than the 277 claims received for the prior year. Commission staff should have anticipated that more claims

would come in for fiscal year 2001-02 because the initial filing deadline for those claims was January 15, 2003, more than a month after they obtained the claims data from the Controller. In fact, as of April 2003, the Controller has received 279 claims for fiscal year 2001-02 and probably will receive more by the final deadline of January 2004 because, as mentioned earlier, claimants can file late or amended claims until then.

The Commission's statewide cost estimates will likely be incomplete because they are prepared before the final deadlines for submitting late or amended claims.

Even though Commission staff use actual claims data to prepare statewide cost estimates, the estimates will likely be incomplete because they are prepared before the final deadlines for submitting late or amended claims. Local entities generally have up to one year after the initial filing deadline to submit late or amended claims. The general practice of Commission staff is to prepare a statewide cost estimate within 30 days after they receive the initial claims data from the Controller, so the claims data they use will almost always be incomplete. This impact is multiplied when, as was the case with the peace officer rights and animal adoption mandates, the initial claims submitted relate to multiple fiscal years. In addition, as described earlier, Commission staff did not always adjust the cost estimates to account for trends in the claims data or the impact that upcoming filing deadlines could have on the completeness of the data. Further, although the Commission's report on the statewide cost estimate specifies when staff obtained the claims data from the Controller, it does not sufficiently disclose to the Legislature how incomplete the data are. Specifically, the Commission's report does not indicate the assumptions made as is done in the more detailed staff analysis. For example, the Commission's report to the Legislature did not include the assumption staff made while developing the estimate for the animal adoption mandate that late or amended claims may be filed. This information would help the Legislature understand whether the data related to the years presented are complete and would highlight those years with incomplete data.

Another factor that affects the accuracy of the statewide cost estimate is the accuracy of the amounts local entities include in their claims. As discussed in Chapter 1, we question a significant amount of the activities local entities claimed under the peace officer rights mandate and identified errors in the claims related to the animal adoption mandate as well. Earlier in this chapter, we discussed how difficult it is to estimate mandate costs with confidence until initial reimbursement claims are submitted and subjected to some level of field review to ensure consistency with the parameters and guidelines. We believe that if the

Controller performs a field review of the initial reimbursement claims for selected new mandates, as discussed previously, this would help ensure that claimed costs are accurate. In turn, this structural reform would improve the accuracy of the claims data the Commission includes in its statewide cost estimates.

COMMISSION STAFF ASSERT THAT LACK OF STAFFING WILL CONTINUE TO AFFECT THE COMMISSION'S ABILITY TO MEET STATUTORY DEADLINES RELATED TO THE MANDATE PROCESS

We identified several delays occurring at the Commission involving the better part of 20 months for the peace officer rights mandate and nine months for the animal adoption mandate.

The Commission took almost five years for the peace officer rights mandate and four years for the animal adoption mandate to reach a statement of decision and prepare a statewide cost estimate. Although its processes allow the Commission to grant extensions of time or even postponement of hearings based on good cause, we identified several delays occurring at the Commission involving the better part of 20 months for the peace officer rights mandate and nine months for the animal adoption mandate. Commission staff believe such delays will continue because of recent increases in workload and decreases in staffing.

To meet the statutory deadlines, the Commission uses a standard timeline—set forth in regulation—to hear and decide the disposition of test claims, to adopt parameters and guidelines, and to develop a statewide cost estimate. In certain circumstances, this timeline can be extended to allow interested parties and affected state agencies additional time for review and comments. For example, any interested party or affected state agency may request an extension of time before the date set for filing responses. The request must explain the reasons an extension is necessary, propose a new date, and be approved by the Commission's executive director. In addition, any party may request a postponement of a hearing regarding a test claim, parameters and guidelines, or a statewide cost estimate until the next scheduled hearing or another date. This request must explain the reasons for the postponement and must be approved by the Commission's executive director.

We found delays in the timelines for both mandates. The peace officer rights mandate timeline included a combined delay of more than seven months because Commission staff failed to follow up with the claimant regarding the submittal of a rebuttal and the submittal of Commission-requested materials in a timely fashion. In addition, Commission staff took 13 months

to issue the draft staff analysis of the test claim from the time they received requested additional information from all parties. For the animal adoption mandate, Commission staff took almost nine months to issue the draft staff analysis from the last date a comment, rebuttal, or amendment to the test claim was filed. Commission staff told us the delays were partially caused by competing priorities and a staffing shortage. Although we acknowledge that Commission staff needed some time to analyze the information received, we believe most of these delays reflected time beyond what was needed for the analysis.

Commission staff also indicated that the workload has increased while the number of staff has decreased because of the State's fiscal crisis. Commission staff stated that a new statutory requirement contributed to a large increase in the number of test claims filed by local entities. Commission staff also reported that the Commission has heard and ruled on an increased number of challenges filed by local entities asserting that the Controller incorrectly reduced their reimbursement claims (incorrect reduction claims). According to staff, the Commission heard and ruled on 70 incorrect reduction claims during fiscal year 2002–03, as opposed to only three during fiscal year 2001–02. Further, Commission staff indicated that the Commission faces a significant caseload of test claims that will prevent it from meeting the statutory deadlines related to the mandate process for the foreseeable future.

Commission staff stated that the Commission would not be able to hear, decide, or adopt parameters and guidelines or statewide cost estimates within its regulatory 12-month timeline for the 51 test claims that were filed during fiscal year 2002–03.

Commission staff stated that, as of July 2003, they had a caseload of 113 test claims, compared with only 82 test claims as of July 2002. Included in the 113 test claims are 51 that were filed during fiscal year 2002–03 that have yet to be heard or decided. Commission staff stated that this is due, in part, to Chapter 1124, Statutes of 2002, which requires local entities to submit test claims related to laws in effect before 2002, by September 30, 2003. Commission staff also stated that, based on the current budget, staffing, and workload, the Commission would not be able to hear, decide, or adopt parameters and guidelines or statewide cost estimates within its regulatory 12-month timeline for the 51 test claims that were filed during fiscal year 2002–03. Also, as a result of the current state budget crisis, Commission staff stated that the Commission's authorized staffing levels were reduced from 14 in fiscal year 2002–03 to 10 in fiscal year 2003–04. Unless the Commission is able to increase staffing to handle the caseload effectively, it likely will continue to face delays in accomplishing its workload.

RECOMMENDATIONS

To identify potential claiming errors and to ensure that costs claimed are consistent with legislative and Commission intent, the Controller should perform a field review of initial reimbursement claims for selected new mandates. In addition, the Commission should work with the Controller, other affected state agencies, and interested parties to implement appropriate changes to the regulations governing the mandate process, allowing the Controller sufficient time to perform these field reviews and identify any inappropriate claiming as well as to suggest any needed changes to the parameters and guidelines before development of the statewide cost estimate and the payment of claims. If the Commission and the Controller find they cannot accomplish these changes through the regulatory process, they should seek appropriate statutory changes.

To project more accurate statewide cost estimates, Commission staff should analyze more carefully the completeness of the initial claims data used to develop the estimates and adjust the estimates accordingly.

When reporting its statewide cost estimates to the Legislature, the Commission should disclose the incomplete nature of the initial claims data used to develop the estimates and the assumptions it made regarding the initial claims data.

The Commission should ensure that it carries out its process for deciding test claims, approving parameters and guidelines, and developing the statewide cost estimates in as timely a manner as possible. To ensure that it is able to do so, the Commission should continue to assess its caseload and work with Finance and the Legislature to obtain sufficient staffing.

We conducted this review under the authority vested in the California State Auditor by Section 8543 et seq. of the California Government Code and according to generally accepted government auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,



ELAINE M. HOWLE
State Auditor

Date: October 15, 2003

Staff: Karen L. McKenna, CPA, Audit Principal
John F. Collins II, CPA
Joe Azevedo
Ben Belnap
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Jerry A. Lewis

APPENDIX

The Commission Found That the Due-Process Clauses of the U.S. and California Constitutions Impose Administrative Appeal Requirements Similar to Parts of the Peace Officer Rights Law

In its statement of decision for the Peace Officers Procedural Bill of Rights (peace officer rights) mandate, the Commission on State Mandates (Commission) determined that a portion of the peace officer rights law imposes some of the same notice and hearing requirements imposed under existing due-process clauses in the U.S. and California constitutions. To the extent that certain requirements already were imposed on local entities before the peace officer rights law, the commission found that no mandate subject to state reimbursement exists. The Commission found that the peace officer rights law is broader than the due-process clauses and applies to additional employer actions that did not previously enjoy the protections of the due-process clauses. Accordingly, the Commission found that a state mandate exists to the extent that the peace officer rights law imposed new duties that exceeded those preexisting obligations. For example, in its statement of decision for the peace officer rights mandate, the Commission included the table presented on the following page in its discussion of administrative appeals to distinguish between the types of employer actions previously required under the due-process clauses of both the U.S. and California constitutions and those new duties imposed by the mandate. Although this particular discussion focused on administrative appeals, the Commission made similar distinctions in discussing other categories of expense in the statement of decision. The text in italics represents those employer actions required by the peace officer rights law that go beyond already existing due-process requirements for administrative appeals.

TABLE A.1

**Comparison of Administrative Appeal Requirements
Before and After the Peace Officer Rights Mandate**

Due Process (Requirements Before Mandate)	Peace Officer Rights Law (Requirements After Mandate)
Dismissal of a permanent employee	Dismissal of a permanent, <i>probationary</i> , or <i>at-will</i> employee
Demotion of a permanent employee	Demotion of a permanent, <i>probationary</i> , or <i>at-will</i> employee
Suspension of a permanent employee	Suspension of a permanent, <i>probationary</i> , or <i>at-will</i> employee
Reduction in salary for a permanent employee	Reduction in salary for a permanent, <i>probationary</i> , or <i>at-will</i> employee
Written reprimand of a permanent employee	Written reprimand of a permanent, <i>probationary</i> , or <i>at-will</i> employee
Dismissal of a probationary or at-will employee that harms the employee's reputation and ability to find future employment	Dismissal of a probationary or at-will employee that harms the employee's reputation and ability to find future employment
None	<i>Transfer of a permanent, probationary, or at-will employee for purposes of punishment</i>
None	<i>Denial of promotion for a permanent, probationary, or at-will employee on grounds other than merit</i>
None	<i>Any other disciplinary actions not listed above against a permanent, probationary, or at-will employee that result in disadvantage, harm, loss, or hardship and impact the career opportunities of the employee</i>

Source: The November 1999 statement of decision for the peace officer rights mandate by the Commission on State Mandates.

The Commission determined that under the following circumstances, the administrative appeal requirements in the peace officer rights law *do not* constitute a new program or higher level of service because prior law requires such an appeal under the due-process clauses:

- A permanent employee is dismissed, demoted, suspended, or receives a reduction in pay or a written reprimand.
- A probationary or at-will employee is dismissed and the employee's reputation and ability to obtain future employment is harmed by the dismissal.

However, the Commission also stated that the due-process clauses of the U.S. and California constitutions do not require an administrative appeal in the following circumstances:

- Dismissal, demotion, suspension, salary reduction, or written reprimand received by probationary and at-will employees whose liberty interests are not affected.⁴
- Transfer of permanent, probationary, and at-will employees for purposes of punishment.
- Denial of promotion for permanent, probationary, and at-will employees for reasons other than merit.
- Other actions against permanent, probationary, and at-will employees that result in disadvantage, harm, loss, or hardship and impact the employee's career opportunities.

Thus, the Commission found that in the previously named situations, the administrative appeal required by the peace officer rights law constitutes a new program or higher level of service and as such imposes costs mandated by the State. In the parameters and guidelines it issued to claimants as guidance, the Commission included these actions as reimbursable in the administrative appeals category for the period July 1, 1994, through December 31, 1998. However, the parameters and guidelines provide a further limitation starting January 1, 1999, because of a change in the law. Specifically, Government Code, Section 3304(b), no longer affords these protections for probationary and at-will employees, but now affords the protections contained in the first and last of the four items listed above to a chief of police.

⁴ A liberty interest in employment arises when a government charge may seriously damage one's reputation to the extent that it forecloses the employee's freedom to pursue other employment opportunities.

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Agency's comments provided as text only.

Commission on State Mandates
980 Ninth Street, Suite 300
Sacramento, CA 95814

October 1, 2003

Ms. Elaine M. Howle
State Auditor
555 Capitol Mall, Suite 300
Sacramento, CA 95814

Re: Response to Bureau of State Audits' Draft Report on the
Peace Officers Procedural Bill of Rights and Animal Adoption Programs

Dear Ms. Howle:

Thank you for the opportunity to respond to the Bureau of State Audits' Draft Report, "State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reforms of the Process." We appreciate your accurate description of the mandate reimbursement process and the Commission's quasi-judicial role in it. Following are our responses to the specific recommendations in the report that relate to the Commission.

Recommendation: To ensure that local entities receive reimbursement only for costs associated with the increased holding period for eligible animals, the Legislature should direct the Commission to amend the parameters and guidelines of the Animal Adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space.

Response: Based on the findings in the report, amendments to the parameters and guidelines appear to be appropriate. If a statute is enacted to implement this recommendation, the Commission staff will work with state agencies and interested parties in the development of an alternative formula. The alternative formula would be included in a proposed amendment presented to the Commission for adoption.

Recommendation: To assist local entities in preparing mandate reimbursement claims, the Commission should include language in its parameters and guidelines to notify claimants and the relevant state entities that the statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines; it should also point out that the support for such legal and factual findings is found in the administrative record of the test claim.

Response: The Commission staff will add the suggested language to proposed parameters and guidelines that are presented to the Commission for adoption.

Ms. Elaine M. Howle
October 1, 2003
Page 2

Recommendation: The Commission should work with the Controller, other affected state agencies, and interested parties to implement appropriate changes to the regulations governing the mandate process, allowing the Controller sufficient time to perform field reviews and identify any inappropriate claiming as well as suggest any needed changes to the parameters and guidelines prior to the development of the statewide cost estimate and the payment of claims. If the Commission and the Controller find they cannot accomplish these changes through the regulatory process, they should seek appropriate statutory changes.

Response: The Commission staff will work with the State Controller's Office as that office determines how to identify potential claiming errors and ensure that costs claimed are consistent with legislative and Commission intent. The staff will develop and propose appropriate changes to the regulations and statutes in consultation with affected state agencies and interested parties. Any changes to the Commission's regulations will be submitted to the Commission for approval and adoption. If it were necessary to seek appropriate statutory changes, a legislative proposal would be submitted to the Commission and the Governor's Office for approval prior to submission to the Legislature.

Recommendation: To project more accurate statewide cost estimates, the Commission staff should more carefully analyze the completeness of the initial claims data they use to develop the estimates and adjust the estimates accordingly. Additionally, when reporting to the Legislature, the Commission should disclose the incomplete nature of the initial claims data it uses to develop the estimates.

Response: The Commission staff agrees with the audit findings supporting this recommendation and will immediately implement it.

Recommendation: To ensure that it is able to meet its statutory deadlines in the future, the Commission should continue to assess its caseload and work with the Department of Finance and the Legislature to obtain sufficient staffing to deal with its caseload.

Response: The Commission recognizes the importance of completing test claim determinations to provide policymakers with timely statewide cost estimates for mandated programs. The Commission will continue to assess its caseload during every meeting. Today, 137 test claims are pending; 29 more were filed since the report was completed. Over the past year, the number of pending test claims has increased by 61 percent. As noted in the report, unless staffing is increased to effectively handle the caseload, there will be significant delays. We will continue to work with the Department of Finance and the Legislature to address this issue.

Sincerely,

(Signed by: Paula Higashi)

PAULA HIGASHI
Executive Director

Agency's comments provided as text only.

State Controller's Office
300 Capitol Mall, Suite 1850
Sacramento, CA 95814

October 1, 2003

Ms. Elaine M. Howle
California State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, CA 95814

Dear Ms. Howle:

Thank you for the opportunity to respond to the draft report dealing with your report, *State Mandates: The High Level of Questionable Costs Claimed Highlights the Need for Structural Reforms of the Process*. Enclosed is the State Controller's Office (SCO) response to specific recommendations in your report.

The SCO has worked with the Commission on State Mandates' staff, affected state agencies, interested parties, and claimants in recommending changes to the parameters and guidelines to provide greater clarity as to reimbursable activities and in strengthening documentation requirements necessary to support actual costs claimed. My staff has been very proactive in the mandated cost process, both from an administrative and an audit perspective. Like your audit, the SCO audits have also disclosed significant findings relating to unsupported and unallowable costs.

As discussed in your report, structural reforms are needed to more accurately identify mandated costs and to ensure that claims reimbursement guidance is consistent with legislative and Commission intent. I support any efforts made to improve and streamline the mandated cost process.

I appreciate your recommendations and will ensure that they will be implemented in a timely manner.

Sincerely,

(Signed by: Steve Westly)

STEVE WESTLY
California State Controller

Enclosure

**STATE CONTROLLER'S OFFICE
RESPONSE TO BUREAU OF STATE AUDITS REPORT
OCTOBER 1, 2003**

OVERVIEW

The State Controller's Office (SCO) appreciates the assistance of the Bureau of State Audits (BSA) in reviewing and identifying issues and providing recommendations for improvements concerning the mandated cost program. The SCO has been very proactive in working with other affected state agencies, local agency representatives, and the Commission on State Mandates (Commission) in clarifying specific reimbursable activities and documentation requirements in the parameters and guidelines and related claiming instructions. Additionally, over the last two years, the SCO has made improvements in processing and monitoring mandated cost claims and has expanded the field audit process.

RESPONSE TO RECOMMENDATIONS

The SCO concurs with the findings and recommendations of the audit and is committed to improving the program to the maximum extent possible by working with the Commission, other affected state agencies, and local agency representatives. There are several plans that will be developed to address the recommendations. The plans and their status will be reported to the BSA in our update, which is due 60 days from the issuance of your final report.

Recommendations – Chapter 1

To ensure that local entities receive reimbursement only for costs associated with the increased holding period for eligible animals, the Legislature should direct the Commission to amend the parameters and guidelines of the animal adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space. Specifically, if a local entity acquires or builds a new shelter facility that is larger than needed to comply with the increased holding period, the formula needs an additional factor to isolate the cost associated with the increased holding period from the costs incurred to meet other needs, such as preexisting shelter overcrowding or predicted animal population growth.

If the Commission amends the parameters and guidelines of the animal adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space, the Controller should amend its claiming instructions accordingly and require local entities who have claimed such costs to amend their claims to address the change.

Response:

The SCO agrees with this recommendation. Specific actions in response to the above recommendation are as follows:

- The SCO agrees that the Legislature should direct the Commission to amend the parameters and guidelines of the animal adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space.

- The SCO will recommend that the legislation addresses the appropriate reimbursable period for the change and authorizes the SCO to require that claims be refiled.
- As required under current law and regulation, within 60 days of the adoption of any amendments to the parameters and guidelines, the SCO will reissue claiming instructions to ensure consistency with the amended parameters and guidelines.

To ensure that local entities have prepared reimbursement claims for the peace officer rights mandate that are consistent with the Commission's intent, the Controller should audit claims already paid under that mandate. In conducting the audit, the Controller should pay particular attention to the types of problems described in this report.

Response:

The SCO agrees with this recommendation. Specific action in response to the above recommendation is as follows:

- By November 1, 2003, the SCO will update the audit program to incorporate audit issues identified in the report and will commence the audits prior to December 31, 2003.

If deemed appropriate based on the results of its [peace officer rights] audit, the Controller should do the following:

- **Request that the Commission amend the parameters and guidelines to address any concerns the Controller identifies.**
- **Amend the claiming instructions and require local entities who have filed claims to adjust their claims accordingly.**
- **Seek statutory changes, if needed, to accomplish any identified amendments and to ensure that the amendments can be applied retroactively to all claims submitted.**

Response:

The SCO agrees with this recommendation. Specific actions in response to the above recommendation are as follows:

- Within 60 days of publication of the SCO audits of peace officer rights mandates initiated prior to December 31, 2003, the SCO will request the Commission to amend the parameters and guidelines for issues that will require greater specificity as to reimbursable activities, provided those activities are consistent with the Commission's adopted statement of decision. In requesting an amendment, the SCO will seek appropriate direction relating to retroactive application of the change in reimbursable activities for previously filed claims and authorization for claims to be refiled with the SCO.
- Within 60 days of the adoption of any amendments to the parameters and guidelines, the SCO will reissue the claiming instructions to ensure consistency with the amended parameters and guidelines.
- By December 1, 2003, the SCO will work with the Commission in assessing whether regulatory and/or statutory changes are necessary for amendments to be applied retroactively to previously filed claims. If statutory changes are necessary, the SCO will seek necessary legislation.

To clarify which costs are reimbursable under the administrative activities section of the peace officer rights mandate parameters and guidelines, the Controller should request that the Commission amend the parameters and guidelines to better explain what activities are included in "updating the status of the cases."

Response:

The SCO agrees with this recommendation. Specific actions in response to the above recommendation are as follows:

- Within 60 days of the publication of SCO audits of peace officer rights mandates initiated prior to December 31, 2003, the SCO will request the Commission to amend the parameters and guidelines for administrative activity costs for updating the status report to require greater specificity as to reimbursable activities, provided those activities are consistent with the Commission's adopted statement of decision and clarification contained in the Commission staff analysis of the proposed parameters and guidelines.
- Within 60 days of the adoption of any amendments to the parameters and guidelines, the SCO will reissue the claiming instructions to ensure consistency with the amended parameters and guidelines.
- By December 1, 2003, the SCO will work with the Commission in assessing whether regulatory and/or statutory changes are necessary for amendments to be applied retroactively to previously filed claims. If statutory changes are necessary, the SCO will seek necessary legislation.

To ensure that local entities claim reimbursement for appropriate costs under the animal adoption mandate, the Controller should either amend the claiming instructions or seek an amendment to the parameters and guidelines to emphasize that average daily census must be based on all animals housed to properly calculate reimbursable costs under the care and maintenance section of the parameters and guidelines.

Response:

The SCO agrees with this recommendation. Specific actions in response to the above recommendation are as follows:

- By December 1, 2003, the SCO will request the Commission to amend the parameters and guidelines for the animal adoption mandate to emphasize that the average daily census must be based on all animals housed, to properly calculate reimbursable costs under the care and maintenance section.
- Within 60 days of the adoption of any amendments to the parameters and guidelines, the SCO will reissue the claiming instructions to ensure consistency with the amended parameters and guidelines.

To ensure that local entities develop and maintain adequate support for costs claimed under all state mandates, the Controller should finalize its guidance on what constitutes an acceptable time study for local entities to follow and under what circumstances they can use a time study to estimate the amount of time their employees spend on reimbursable activities.

Response:

The SCO agrees with this recommendation. Specific actions in response to the above recommendation are as follows:

- By December 1, 2003, the SCO will develop a plan for implementation of time study guidelines. Over the past year, the SCO has been meeting with representatives from cities, counties, and school districts to develop guidance on what constitutes an acceptable time study and to identify the appropriate circumstances for its application. The SCO plans to discuss the results with affected state agencies prior to finalizing the guidelines.

Recommendations – Chapter 2

To identify potential claimant errors and ensure that costs claimed are consistent with legislative and Commission intent, the Controller should perform a field review of initial reimbursement claims for selected new mandates. In addition, the Commission should work with the Controller, other affected state agencies, and interested parties to implement appropriate changes to the regulations governing the mandate process, allowing the Controller sufficient time to perform these field reviews and identify any inappropriate claiming as well as suggest any needed changes to the parameters and guidelines prior to the development of the statewide cost estimate and the payment of claims. If the Commission and the Controller find they cannot accomplish these changes through the regulatory process, they should seek appropriate statutory changes.

Response:

The SCO agrees in principle with the recommendations. Specific action in response to the above recommendations is as follows:

- By January 1, 2004, the SCO will develop a plan to commence reviews of filed claims for selected new mandates prior to payment. The plan will include meeting with the Commission and other affected state agencies to identify what regulatory or statutory changes and audit resources are necessary to allow the Controller sufficient time to perform field reviews prior to payment and avoid any loss of recoveries from post-payment audits because of the current three-year time limit. The proposed change will allow the SCO to identify inappropriate claiming as well as suggest any needed changes to the parameters and guidelines prior to the development of the statewide cost estimate, the payment of claims, and the effective date of the amended parameters and guidelines.

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Agency's comments provided as text only.

City of Los Angeles
1500 City Hall East
Los Angeles, CA 90012-4190

September 30, 2003

0110-38000-0000

Mr. Steven M. Hendrickson*
Chief Deputy State Auditor
California State Auditor
Bureau Of State Audits
555 Capitol Mall, Suite 300
Sacramento, California 95814

Mr. Hendrickson:

Enclosed is the response from the City of Los Angeles to the Bureau of State Auditors regarding the draft review of the Animal Adoption mandate and the Peace Officer Rights mandate.

If you have any questions regarding this matter, please contact Angela L. Berumen of my staff at 213/485-8099 or by e-mail at aberumen@cao.lacity.org

Sincerely,

(Signed by: William T Fujioka)

William T Fujioka
City Administrative Officer

Enclosures

* California State Auditor's comments begin on page 81.

City of Los Angeles
INTERDEPARTMENTAL CORRESPONDENCE

Date: September 29, 2003

To: WILLIAM T FUJIOKA, City Administrative Officer

From: JERRY GREENWALT, General Manager
Department of Animal Services

Subject: **RESPONSE TO BUREAU OF STATE AUDITORS REVIEW OF THE ANIMAL
ADOPTION REIMBURSEMENT CLAIM**

The Department of Animal Services (Department) received the results of the recent audit/review performed by the State of California, Bureau of State Audits (BSA). The audit was a review of a Department claim submitted under the Animal Adoption mandate required under SB 1785 for the Fiscal Year 2001-02. The following information is submitted as a result of the BSA audit.

The Department has reviewed the audit findings as submitted by the BSA and determined that they are substantially correct. The audit was found to be fair and without procedural errors. Some records were missing and the Department was unable to produce them at the auditor's request; thus, disallowances were made to claimed amounts. However, the Department was unable to verify the value of the reported disallowances because the records sampled and the sampling techniques used by the BSA to complete the audit were not made available to the Department.

Based on the audit information supplied by the BSA, the Department will submit amended Animal Adoption claims for reimbursement, with the supporting documentation available for future audits.

If you have any questions please call Agnes Ko, Senior Management Analyst II, at (213) 473-7617, or Ross Pool, Management Assistant, at (213) 473-7515.

JG:AK:RP

cc: Todd Bouey, CAO
Agnes Ko
Ross Pool

Los Angeles Police Department Response to the
California State Auditor, Bureau of State Audits

We believe your office does not understand the requirements placed on local government by the Peace Officer Procedural Bill of Rights (POBOR), therefore, your findings do not reflect the work required to comply with the state mandated requirements that are imposed on the Los Angeles Police Department (LAPD). As you correctly state in Chapter 1 of your report titled, "Excerpts Related to the Peace Officer Rights Mandate," the Commission (Commission on State Mandates) found that many of the activities included in the peace officers right law are not reimbursable because they were already required under the constitutional provisions (due-process clause of the 14th Amendment of the United States Constitution). It appears you accurately concluded that the reimbursable portions are "the requirements in the peace officer rights law (that) exceed the rights afforded peace officers under the United States and California constitution." If that is a fair representation of your comments, then we fully agree on how you should determine if an activity is reimbursable.

Our disagreement with your report and the majority of the findings related to our Department centers around your comments on what activities are mandated by the POBOR Act that exceeds a police officer's constitutional right. Suffice it to say, in all three of the areas or components that you discussed in your report, namely, (1) interrogations, (2) adverse comments, and (3) administrative activities, we believe the Bureau has understated what activities go beyond a peace officer's constitutional due process rights and therefore are mandated by the POBOR Act. Given that basic disagreement, a section-by-section or issue-by-issue response has not been prepared.

We take considerable issue with your comment that one hundred (100) percent of the costs included in City's state mandated cost reimbursement claims that were audited are "unsupported." We have considerable evidence to document that the work was done and there are files, which you have seen, that contain detailed information on the cases included in the state mandated cost claims at issue. While the data may not be in the form you prefer, we feel it clearly demonstrates that the work was done and that it can be determined that the amount of time associated with the activities claimed is very reasonable.

The City does agree with your findings on pages 12 and 13 of the report relating to the calculation errors in claiming indirect costs and employee benefits. Your findings appear to be correct.

Since your report goes to the Legislature, we would like to raise one issue for their consideration. The issue is how much time should local agencies expend to provide the level of documentation that you apparently desire. If you would like the City to purchase and implement a detailed activity based cost accounting system and have the Department's officers spend the commensurate time documenting their activities to meet those requirements, then we would request that you provide us with the money to purchase and implement that system as well as to pay LAPD for the cost of its personnel to maintain that system. Our job is to provide law enforcement services to the citizens of Los Angeles and in this case, make sure LAPD's peace officers are provided the additional protections afforded to them by the state mandate Peace Officers Procedural Bill of Rights. Given the

Los Angeles Police Department Response to the
California State Auditor, Bureau of State Audits

limited resources of both state and local government, we find it offensive to suggest that we need to be spending considerable more time on administrative and accounting systems to justify the costs which we obviously incurred.

We understand the federal government has recently recognized the need to reduce many of the burdensome documentation requirements on states just to justify the reimbursement of its federal expenditures. We believe that the primary requirement should be to provide evidence the product or service was delivered and efforts should be focused on minimizing the time and money spent documenting that evidence. If there is adequate proof the service has been provided, we believe the documentation should be kept to a reasonable minimum. In other words, we find it counterproductive for the State to be moving in the opposite direction of the federal government and demanding greater documentation, which does not appear to be benefiting anyone except accountants and consultants. Hopefully the Legislature will recognize that the delivery of the service is what is of the utmost importance and the time spent on unnecessary documentation between the various levels of California government is not in the best interest of its taxpayers.

In closing, we understand you are just trying to do your job. We hope, however, the Legislature will not attempt to use your findings to avoid paying its constitutional obligation to local government. With all due respect, your report minimizes the state mandated requirements placed on local government that are needed to comply with the POBOR act.

We would like to express our appreciation for the professional conduct of your staff.

Questions regarding this matter may be referred to Ms. Laura Filatoff at (213) 485-5296.

COMMENTS

California State Auditor's Comments on the Response From the City of Los Angeles

To provide clarity and perspective, we are commenting on the response to our audit from the city of Los Angeles. The numbers correspond with the numbers we have placed in the city's response.

- We were surprised that the city of Los Angeles indicated it was not given the opportunity to verify the value of amounts we questioned related to its animal adoption claim. We briefed city staff on the nature and quantification of the various problems we noted with its claim. Had city staff asked for more information regarding our calculations, we would have been happy to provide it.
- We disagree with the city of Los Angeles' assertions that we did not understand or have understated or minimized the state mandated requirements under the Peace Officers Procedural Bill of Rights (peace officer rights) mandate. As described beginning on page 24 of our report, the administrative record shows that the Commission on State Mandates (Commission) found that many activities included in the peace officer rights law are not reimbursable because they already were required under constitutional provisions. In addition, Commission staff have confirmed our understanding of the record. Moreover, as we state on page 26 of our report, if a local entity believes the Commission should have identified more reimbursable activities, that entity could have brought these issues to the Commission's attention when it considered the proposed parameters and guidelines. Alternatively, the entity could have submitted a subsequent request to amend the parameters and guidelines to include additional activities.
- Page numbers and certain titles in the draft that we shared with the city of Los Angeles, such as *"Excerpts Related to the Peace Officer Rights Mandate,"* differ from our final report. The statutes governing our work require us to maintain strict confidentiality of information related to an audit until that audit is completed

and released to the public. Thus, when an audit involves more than one entity, it is our practice to provide each entity with an excerpt of our draft report for comment.

● We found that 100 percent of the direct costs the city of Los Angeles claimed are unsupported because the methods the city used to determine time spent did not comply with the parameters and guidelines. Specifically, as described on page 41 of our report, the parameters and guidelines require local entities to track the actual time devoted to each reimbursable activity by each employee. The city of Los Angeles did not use this methodology in preparing its claim. Further, in acknowledging that tracking actual efforts may be challenging on pages 41 and 42 of our report, we describe using an adequate time study as an acceptable alternative for determining costs. However, as we point out on page 43, we found that the city's method for estimating time was deficient because it had no documentation to support that the time estimates it used reflected the actual experience of its employees. Thus, we found that the city of Los Angeles neither used an acceptable methodology nor adequately supported its claim.

● We have not asserted that local entities need to acquire new accounting systems. However, they do need to develop and maintain adequate supporting documentation that isolates costs for reimbursable activities. As described on pages 42 and 44 of our report, a time study conducted for a period of time may be a reasonable way to support claimed costs if it is not practical to track actual efforts on an ongoing basis. Further, as we note in our report, the State Controller's Office (Controller) is working with local entities to develop guidance regarding the appropriate use and conduct of time studies. However, the Controller has not yet provided such guidance as of the issuance of our report.

Agency's comments provided as text only.

County of Los Angeles
Kenneth Hahn Hall of Administration
Department of Auditor-Controller
500 West Temple Street, Room 525
Los Angeles, CA 90012-2766

October 1, 2003

Elaine M. Howle*
State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, California 95814

Dear Ms. Howle:

**Los Angeles County's Response
Bureau of State Audits' State Mandates Report
Peace Officers Procedural Bill of Rights**

We submit our response to the portion of the subject report which applies to Los Angeles County.

Leonard Kaye of my staff is available at (213) 974-8564 to answer questions you may have concerning this submission.

Very truly yours,

(Signed by: J. Tyler McCauley)

J. Tyler McCauley
Auditor-Controller

Enclosures

* California State Auditor's comments begin on page 89.

Los Angeles County's Response
Bureau of State Audits' State Mandates Report
Peace Officers Procedural Bill of Rights

Our review addresses the Bureau of State Audits' (BSA) finding that our Police Officer Procedural Bill of Rights (POBAR) claim is overstated.

BSA's principal concern is that "[t]he entities seemed to focus on the four broad categories of expense in the parameters and guidelines and not on the specific activities outlined within the categories."

As noted by BSA, Los Angeles County [County] elected to seek reimbursement under only two expense categories – "Interrogations" and "Administrative Appeals." No reimbursements were claimed under the "Adverse Comment" and "Administrative Activities" expense categories as the County did not have sufficient time to adequately document these costs. Otherwise, our claim would have been higher. If the County was motivated to seek reimbursement for costs that were perceived to be outside the scope of this mandate, it is unlikely that two entire categories would have been unclaimed.

For the two categories in which the County sought reimbursement, the BSA questions virtually all of the claimed costs. We believe that the POBAR's Statement of Decision (SOD)¹ and parameters and guidelines (Ps&Gs) are complex documents and that there may be reasonable differences in ascertaining costs that were intended to be reimbursed. Although we do not agree with BSA's conclusion that only a small percentage of the claimed costs are allowable, we do agree that the BSA's report identifies issues that may require further clarification from the Commission.

Further, the County will prepare future POBAR's claims in light of BSA's recommendations.

Following are our comments addressing BSA's conclusions that our POBAR's administrative appeal costs and interrogation costs [including investigation costs] were improperly claimed or not adequately supported.

Investigations

Implementation of the POBAR's program requires the County to conduct "prompt, thorough, and fair investigations"². Such investigative costs are reimbursable. In this regard, Commission's SOD states, on page 13, that:

¹ BSA notes that its report is based on "... the plain language in the statement of decision and parameters and guidelines" [BSA Report, page 4]. Accordingly, the County's response is also based on such language.

² The County uses the "prompt, thorough, and fair investigations" terminology here in order to describe the POBAR's investigative costs claimed under the "Interrogations" expense category. As noted by the Commission on page 16 of their POBAR's Statement of Decision, the California Supreme Court in *Pasadena Police Officers Association v. City of Pasadena* [[1990] 52 Cal.3d 564], supports Commission's finding that POBAR's imposed new and reimbursable duties, not required under prior law. With regard to POBAR's investigations, the Court stated:

"To keep the peace and enforce the law, a police department needs the confidence and cooperation of the community it serves. Even if not criminal in nature, acts of a police officer that tend to impair the public's trust in its police department can be harmful to the department's efficiency and morale. Thus, when allegations of officer misconduct are raised, it is essential that the department conduct a prompt, thorough, and fair investigation. Nothing can more swiftly destroy the community's confidence in its police force than its perception that concerns raised about an officer's honesty or integrity will go unheeded or will lead only to a superficial investigation." [Emphasis added.]

"Conducting the investigation when the peace officer is on duty, and compensating the peace officer for off-duty time in accordance with regular department procedures are new requirements not previously imposed on local agencies and school districts.

Accordingly, the Commission found that Government Code section 3303, subdivision (a), constitutes a new program or higher level of service under article XIII B, section 6 of the California Constitution and imposes "costs mandated by the state" under Government Code section 17514." [Emphasis added.]³

In addition, Section IV. C. of the POBAR's Ps&Gs, details reimbursable activities for "interrogations" to include:

"... reimbursement for the performance of ... [investigations] ... only when a peace officer is under investigation, and is subjected to an interrogation by the commanding officer, or any other member of the employing public safety department, that could lead to dismissal, demotion, suspension, reduction in salary, written reprimand, or transfer for the purpose of punishment." [Emphasis added.]

Further, Section IV. C.1. of the POBAR's Ps&Gs also provides for reimbursement of "off-duty compensation" "... when required by the seriousness of the investigation" [emphasis added].

Also, claiming POBAR's investigative costs is not prohibited in Commission's SOD or Ps&Gs.

Moreover, Commission's SOD and Ps&Gs provide no reimbursement limitations on claimants' costs in conducting a prompt, thorough, and fair investigation.

Investigation Costs

The County claimed its reimbursable POBAR's investigative costs using methodologies acceptable to the State Controller's Office [SCO].

For POBAR's investigations occurring at the Sheriff's unit level, a time study was conducted. The time spent by unit-level personnel investigating a POBAR's matter over a period of several weeks or more averaged 14 hours per case. Computations, such as the determination of an appropriate productive hourly rate for investigators, were performed in accordance with SCO's instructions. In this instance, the productive hourly rate was found to be \$47.48. Therefore, the claimed cost

³ BSA recognizes that this Commission language plainly indicates that local law enforcement agencies are required to "investigate an allegation" [BSA Report, page 6]. However, BSA contends that "investigative time is still clearly not reimbursable" [BSA Report, page 6]. BSA explains this result by indicating that Commission's [above] "... wording within the statement of decision appears to have a minor inconsistency" [BSA Report, page 6]. We contend that BSA's conclusion is erroneous and that the Commission conclusion is correct here.

to conduct a prompt, thorough, and fair investigation at the unit level was \$664.72 [14 hours @ \$47.48 per hour], an amount that is reasonable, proper, and computed in accordance with SCO claiming instructions⁴.

For more complex [than unit level] POBAR's investigations, all the time charged by each full-time investigator assigned to the Sheriff's Internal Affairs Bureau [IAB] was identified and only the time spent on a POBAR's case assigned to a particular investigator was charged in the County's claim. Such POBAR's time charges were based on the ratio of POBAR's cases to other types of cases. This methodology is acceptable to SCO as long as the level of effort to conduct a POBAR's investigation is at least equivalent to that required to conduct a non-POBAR's investigation. Our experience is that POBAR's cases require the same or more work than other cases.

In addition, POBAR cases require "... providing prior notice to the peace officer regarding the nature of the interrogation and identification of the investigating officers" [Ps&Gs, page 3]. In this regard, on pages 3-4, the Ps&Gs expressly provide reimbursement for:

"... review of agency complaints or other documents to prepare the notice of interrogation; determination of the investigating officers; redaction of the agency complaint for names of the complainant or other accused parties or witnesses or confidential information; preparation of notice or agency complaint; review by counsel; and presentation of notice or agency complaint to peace officers."

Accordingly, the County claimed costs for the [above] reimbursable activities. However, according to BSA's report, in their insert regarding "reimbursable interrogation activities", the [above] costs are limited to merely "providing subject prior notice regarding the interrogation." It appears that BSA is simply deleting an entire list of reimbursable activities from the Ps&Gs⁵.

Further, the "prior notice" duties are not duties that can be accomplished in a few minutes. Prior notice and related duties set forth in the PS&Gs are not trivial and require substantial effort in order to "... comport with standards of fair play and due process" [SOD, page 10].

It should also be noted that there are no time standards for performing any of the many reimbursable POBAR's activities detailed in the Ps&Gs. Perhaps, local law enforcement agencies can be surveyed to establish such standards. Here, several standards may be appropriate to account for local agency differences in performing specific POBAR's tasks. Clearly, one size does not fit all.

Also, Commission acknowledges local agency differences in performing reimbursable "administrative appeals" activities.

⁴ It should be noted that SCO has not issued claiming instructions regarding specific requirements for conducting a time study. However, SCO has routinely accepted time studies as proper documentation of time spent on reimbursable activities.

⁵ If such a list of reimbursable activities is to be deleted from the POBAR's Ps&Gs, a motion to amend these Ps&Gs should be filed with the Commission — the agency with sole and exclusive jurisdiction in the matter.

Administrative Appeals

Reimbursement for a broad variety of POBAR's administrative appeals activities is available. In this regard, Commission's SOD, on page 10, explains:

"The Commission recognized that the test claim legislation does not specifically set forth the hearing procedures required for the administrative appeal. Rather, the type of administrative appeal is left up to the discretion of each local agency and school district. The courts have determined, however, that the type of hearing required under Government Code section 3304 must comport with standards of fair play and due process."

In the County's POBAR claim studied by BSA, costs claimed for POBAR's administrative appeals were detailed. The first phase of the administrative appeals process is initiated when a POBAR's decision is disputed by a permanent peace officer. The second phase is initiated when a POBAR's appeal hearing is requested.

BSA contends that administrative appeal costs incurred before a hearing is requested, during the first [above] phase, is not reimbursable. [BSA Report, page 8.]

We contend that administrative appeal costs in both [of the above] phases are subject to reimbursement under the POBAR's parameters and guidelines [Ps&Gs]. The POBAR's Ps&Gs, indicate, on page 3, that reimbursement is allowable for "providing the opportunity for, and the conduct of an administrative appeal".

In addition, the Ps&Gs, on page 3, plainly state that reimbursement is to be provided for "... preparation and review of the various documents to commence and proceed with the administrative". Accordingly, an initial writing and reviewing of charges during the initial [above] phase is required.

Therefore, the [above] initial appeals duties are an integral and necessary component of the POBAR's appeals process and, in particular, provide those permanent peace officers who dispute their POBAR's decisions with an opportunity for appeal.

Without this writing and reviewing of charges there would be no opportunity to request or conduct a POBAR's administrative hearing.

It should be noted that not all POBAR's cases are administratively appealed. POBAR's case investigations at the peace officer's station or unit of assignment levels may not undergo administrative appeal. However, the County provided an opportunity for appeal in all cases.

Further, not all of the County's administrative appeal costs are subject to reimbursement. Only certain administrative appeal costs are subject to reimbursement. After January 1, 1999, such reimbursable costs, as noted by BSA on page 7 of their report, include:

"Dismissal, demotion, suspension, salary reduction, or written reprimand received by the chief of police, whose liberty interest is not affected.

Transfer of permanent employees for purposes of punishment.

Denial of promotion for permanent employees for reasons other than merit.

Other actions against permanent employees or the chief of police that result in disadvantage, harm, loss, or hardship and impact the career opportunities of the employee."

The [above] categories of reimbursable administrative appeals are subject to interpretation. In particular, the last category requires that administrative appeals cases be reviewed to determine the extent to which a particular action will, in fact, "... result in disadvantage, harm, loss, or hardship and impact the career opportunities of the employee."

Documentation

The County maintains that its 507 page POBAR's claim [examined by BSA] is well documented and supported. It is detailed and includes schedules identifying specific work products ... evidence that the work was actually done. Our POBAR's claim is amply footnoted to show that claimed costs were developed in accordance with SCO's claiming instructions and Commission's Ps&Gs and Statement of Decision.

Further, we believe that the POBAR's program imposes substantial new duties and costs on local law enforcement agencies. In this regard, the Commission's cost estimate for State-wide implementation for the POBAR's program [adopted on March 29, 2001] was \$152,506,000. Further analysis suggests that this estimate was reasonable considering that 60,668⁶ city or county peace officers are affected.

Finally, we recognize the importance of BSA's study of the POBAR's reimbursement program and will cooperate in every possible way in implementing required changes. Nevertheless, we disagree with BSA's conclusion that POBAR's does not impose substantial costs on local law enforcement agencies.

⁶ As reported by the State Department of Justice for the year 2000.

COMMENTS

California State Auditor's Comments on the Response From Los Angeles County

To provide clarity and perspective, we are commenting on the response to our audit from Los Angeles County. The numbers correspond with the numbers we have placed in the county's response.

- As we state on page 26 of our report, although we acknowledge that local entities may have different activities related to the disciplinary process, they should claim reimbursement only for activities the Commission on State Mandates (Commission) found to be reimbursable. If a local entity believes the Commission should have identified more reimbursable activities, that entity could have brought these issues to the Commission's attention when it considered the proposed parameters and guidelines. Alternatively, the entity could have submitted a subsequent request to amend the parameters and guidelines to include additional activities.
- In its response, Los Angeles County repeatedly refers to *investigations* as a reimbursable activity even though the Commission's guidance focuses on *interrogations*, a procedural step in the disciplinary process. Specifically, as described on page 31 of our report, Los Angeles County bases its conclusion that investigations are reimbursable on a minor wording inconsistency in the Commission's statement of decision. Nonetheless, the conclusion of the Commission's statement of decision refers to "conducting the interrogation of a peace officer while the officer is on duty," and the parameters and guidelines also refer to interrogations. Further, Commission staff pointed out in their analysis of the test claimant's proposed parameters and guidelines that the peace officer rights law does not require local entities to investigate allegations.
- Page numbers in our final report differ from the draft that we shared with Los Angeles County.
- Los Angeles County's characterization of the parameters and guidelines in this context is misleading because it suggests that the words omitted from the quotation refer to investigations. Instead, the omitted words make it clear that this text is not part

of the list of reimbursable activities. For clarity, we repeat the first part of the text in section IV.C, the interrogations section, to include the words the county omitted as follows: "Claimants are eligible for reimbursement for the performance of *the activities listed in this section* only when a peace officer is under investigation, or becomes a witness to an incident under investigation, and is subjected to an interrogation . . ." [Emphasis added.]

- Los Angeles County's argument suggests that the Commission be expected to spell out activities that are not reimbursable. As described on pages 28 and 29 of our report, where we discuss a similar argument raised by the city and county of San Francisco, such a view appears to be at odds with the focus of the mandate process, which is to determine whether laws impose mandates and, if so, to define which activities are reimbursable.
- We disagree with Los Angeles County's assertion that it claimed costs using methodologies acceptable to the State Controller's Office (Controller), whose claiming guidance incorporates the Commission's parameters and guidelines. As we describe on page 41 of our report, the parameters and guidelines require local entities to track the actual time devoted to each reimbursable activity by each employee. The county did not use this methodology in preparing its claim. Further, in acknowledging that tracking actual efforts may be challenging on pages 41 and 42 of our report, we describe using an adequate time study as an acceptable alternative for determining costs. However, as we point out on page 44, we found that the county's "time study" used to support a portion of its costs was deficient because it was developed based on interviews with the employees who performed the work and there were no records to show whether the employees who performed the work had tracked their actual efforts. Further, no time study existed for the remaining time estimates. Thus, despite the volume of paperwork provided with its claim, we found that Los Angeles County neither used acceptable methodologies nor adequately supported its claim.
- Los Angeles County is mistaken when it contends that we recognize that the Commission's language plainly indicates that local agencies are required to "investigate an allegation." In particular, on page 31 of our report, we state just the opposite as follows: "Commission staff pointed out in their analysis of the test claimant's proposed parameters and guidelines that the peace officer rights law does *not* require local entities to investigate allegations." [Emphasis added.]

- Los Angeles County is mistaken when it contends that we are simply deleting an entire list of reimbursable activities from the parameters and guidelines. On page 28 of our report, we point out that under the interrogations category, the parameters and guidelines list only five specific activities eligible for reimbursement and include tasks that are reasonably necessary to carry out these activities. The language the county cited describes the tasks related to one of the five activities—providing the peace officer prior notice of the interrogation. We would have considered such tasks as reimbursable had the county demonstrated that they were performed in the context of providing the officer prior notice. However, rather than isolating the activities its staff performed related to the notice of interrogation, Los Angeles County claimed reimbursement for all the time its staff spent investigating complaints against peace officers.

- As we state on page 38 of our report, Commission staff confirmed our understanding that activities occurring before the officer requests an administrative appeal are not reimbursable.

- Los Angeles County has mischaracterized our conclusion. As we describe on page 27 of our report, we question a high level of the direct costs claimed by the four local entities we reviewed because they claimed costs for nonreimbursable activities based on their broad interpretations of the Commission's statement of decision and parameters and guidelines.

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Agency's comments provided as text only.

County of San Diego
Auditor and Controller
1600 Pacific Highway
San Diego, CA 92101-2478

September 30, 2003

Elaine M. Howle, State Auditor*
Bureau of State Audits
California State Auditor
555 Capitol Mall, Suite 300
Sacramento, CA 95814

ATTENTION: TANYA ELKINS

ANIMAL ADOPTION GUIDANCE AUDIT

Thank you for the opportunity to review and submit our comments on the draft report concerning the animal adoption claim for reimbursable costs. We are submitting the following comments in response to the recommendations and statements from your recent audit.

Supporting Documentation Section:

We note the draft report acknowledges that tracking actual time for the initial animal adoption claims would have been challenging, and that claimants generally based time estimates on employee interviews rather than documented time studies. We further note that the Auditor and Controller is working with local entities to develop guidance regarding the appropriate use and conduct of time studies.

Table 4 and Text:

We request that references in the text and in Table 4 to "unsupported costs" be reworded or otherwise clarified to indicate that a particular claimant did not submit sufficient supporting documentation to properly evaluate a claimed item and therefore avoid any implication that such claim may be false or excessive.

Errors Section and Table 5:

We also request that the draft report reflect the fact that the two errors attributed to County of San Diego (Table 5), have since been addressed to the satisfaction of the auditors, and that the County has indicated its intention to file an amended claim. We concur that the net effect of these errors will increase our claim by \$122,000 as indicated in Table 5.

* California State Auditor's comments appear on page 95.

Recommendations:

We have carefully considered the issues that arose in this draft report and look forward to working with the Auditor and Controller in developing suitable time studies to ensure that prospective claims for reimbursable activities are adequately supported. Additionally, the County of San Diego intends to file an amended claim to provide sufficient documentation on the two items referenced in Table 4, and to correct the two errors in Table 5 for the Fiscal Year 2001/02.

If you have any questions, please contact Vicki Owens, Budget Officer of the Department of Animal Services, at (619) 767-2622 or Gina Surgeon of Revenue and Cost Accounting at (619) 685-4825.

Sincerely,

(Signed by: William J. Kelly)

WILLIAM J. KELLY
Chief Financial Officer

RCA:GS:lc

COMMENTS

California State Auditor's Comments on the Response From San Diego County

To provide clarity and perspective, we are commenting on the response to our audit from San Diego County (San Diego). The numbers correspond with the numbers we have placed in San Diego's response.

- Our text on page 45 of the report makes clear that we use the term "unsupported costs" to refer to costs for which local entities did not have adequate supporting documentation. Therefore, we have made no changes to the text or Table 4.
- We have added a sentence on page 52 of our report to indicate that San Diego concurs that its claim contained errors and that it intends to file an amended claim. However, because San Diego has yet to file an amended claim, the concerns we raise have not "been addressed to the satisfaction of the auditors."

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Agency's comments provided as text only.

City and County of San Francisco
Office of the Controller
City Hall, 1 Dr. Carlton B. Goodlett Place, Room 316
San Francisco, CA 94102-4694

October 1, 2003

Ms. Elaine M. Howle*
State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, CA 95814

Re: San Francisco Response to Draft of Report No. 2003-106

Dear Ms. Howle:

Thank you for sending a draft of your Peace Officers Bill of Rights (POBAR) Mandate Audit Report to the City and County of San Francisco. In general, we are disappointed with your findings. I am providing herein the City's official response, given the imposed five-day deadline and with the absence of your calculation work papers, which I request you send for us to do a detailed review.

It would appear to us the interpretation of POBAR eligible costs is exceedingly restrictive given your interpretation of due process rights afforded by the US and California constitutions. The 14th Amendment to the US Constitution provides a very broad framework for a citizen's protection that has been applied to public employee cases in the past. The finding of a new mandate by the Commission on State Mandates in this case was a clear recognition by the CSM that peace officers are afforded a higher level of protection than other public employees. The parameters and guidelines (Ps and Gs) ultimately adopted by the Commission in July 2000 enumerated several specifically reimbursable activities and several specifically ineligible activities or areas of cost. GC Sections 3300 through 3310¹ provide specific procedural protection for peace officers employed by local agencies when a peace officer is subject to an interrogation by the employer, is facing punitive action, or receives an adverse comment in his or her personnel file. This also applies to peace officers classified as permanent employees, peace officers who serve at the pleasure of the local agency, and are terminable without cause ("at will" employees), and peace officers on probation who have not reached permanent status.

* California State Auditor's comments appear on page 101.

¹ As added and amended by Chapter 465, Statutes of 1976; Chapters 775, 1173, 1174, and 1178, Statutes of 1978; Chapter 405, Statutes of 1979; Chapter 1367, Statutes of 1980; Chapter 994, Statutes of 1982; Chapter 964, Statutes of 1983; Chapter 1165, Statutes of 1989; and Chapter 675, Statutes of 1990.

It is common for different local agencies to implement state mandates in various ways. An agency with the complexity and sophistication of systems such as San Francisco will necessarily be different than the test claimant (aka: the City of Sacramento). San Francisco is also a city and county government, which adds to the unique character of our city and county operations and the way we perform state requirements. Additionally, since neither a vague nor precise definition of parameters and guidelines exists in law, it is apparent that locals must rely on the plain definitional meaning of these words. In fact, local agencies and the State Controller have looked at Ps and Gs as a document that helps to determine a range of variations in cost categories that occur as a result of the imposition of a state mandate. The City and County of San Francisco examined what specific activities were undertaken by our agency to comply with the requirements of the peace officer rights law that were in excess of what we believed to be required under the 14th Amendment and those provisions that POBAR required that exceeded the requirements of the Skelly law.

Additionally, your strict interpretation of Ps and Gs is, in fact, a relatively new phenomenon that has not historically been adhered to by the State and local agencies. Because it is impossible to construct a set of Ps and Gs that will work equally well for a small rural city as well as a large urban county, the State Controller has historically worked together with locals to determine what costs related to state mandates are in fact reasonable to claim through the SB 90 process.

The Commission on State Mandates process, while completely open to the public, is far from an approachable and easily understandable way to resolve mandate issues. It would be impossible for a local agency to know that its definition of the approved Ps and Gs is different from the State Controller's when it is customary for audits to start well after the filing window for locals has closed to appeal to the CSM. Locals would welcome State Controller feedback earlier in the process to help provide guidance on vague areas of the Ps and Gs. In fact, since reimbursement claims for POBAR were filed on January 30, 2001, almost three years ago, the only feedback our agency has received from the State related to these claims is a partial payment of the initial back-year filings. San Francisco has received no guidance or interpretations from the State related to the subject law in this case or this set of parameter and guidelines.

The BSA criticized local agencies for their lack of scholarship related to filing this set of reimbursement claims. Yet, the BSA spent several months focusing on the fine points of the subject laws and documents related to this program prior to issuing the draft analysis. From the time the Ps and Gs are approved at the Commission on State Mandates, the State Controller has 60 days to issue claiming instructions. Once those are issued, local agencies have 120 days in which to file claims. And incidentally, those claims in the case of POBAR extended back to fiscal year 1994-95.

Our intent is to claim costs that were reflective of the parameters and guidelines adopted for this program; however, if any errors or duplicative costs were claimed we stand ready to correct them. We emphasize that no State feedback has been provided to our agency prior to this report that would show otherwise. Additionally, several representatives from our agency attended statewide training workshops sponsored by the California State Association of Counties (CSAC), and the attorney who worked directly with the test claimant (City of Sacramento) to develop the Ps and Gs

City and County of San Francisco
Letter to Elaine M. Howle
Page 3 of 3
October 1, 2003

taught the sessions. Our agency also received several periodicals and newsletters from varying sources providing their interpretations on this matter. It is safe to say that nobody had a clear view of exactly what was required by the POBAR findings. We believe the City and County took reasonable steps to attempt to acquaint its staff with the new reimbursable mandate's requirements.

I also would respectfully urge the Bureau of State Audits to describe the mandate process in more accurate terms. I believe that substituting the word "challenging" with "impossible" is more appropriate because it is an impossible task to comply literally with the Ps and Gs documentation level related to tracking staff time for any SB 90 program for periods of time that have already passed. It would seem reasonable that there be differing stated source documentation requirements for claiming employee time for back years and prospective years. Preparing a time study based on complicated claiming instructions in time to prepare and file claims for back years is really not a workable solution as the system currently exists. We would agree that a time study could be the basis for claiming personnel costs for certain types of activities on an on-going basis. Moreover, instead of questioning the entire \$5.8 million San Francisco claimed due to a lack of proper documentation, perhaps it would be more useful to find out why documentation could not have existed.

The City will make every attempt to efficiently and effectively complete SB 90 claims. While we remain committed to implementing state-mandated programs, I must also use this opportunity to express the additional, continued hardship the State has placed on local governments by mandating programs, yet once again not providing adequate appropriation in the budget. According to the LAO, the State is estimated to owe local governments nearly \$1 billion in SB 90 reimbursements.

We appreciate the opportunity to review and comment upon this audit in a draft stage. Please contact Fusako Hara, SB 90 Coordinator at the San Francisco Controller's Office at 415-554-5427, if you have any questions.

Sincerely,

(Signed by: Ed Harrington)

ED HARRINGTON
Controller

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COMMENTS

California State Auditor's Comments on the Response From the City and County of San Francisco

To provide clarity and perspective, we are commenting on the response to our audit from the City and County of San Francisco (San Francisco). The numbers correspond with the numbers we have placed in San Francisco's response.

- San Francisco has incorrectly asserted that our interpretation of due process rights led to an exceedingly restrictive interpretation of eligible costs. Rather, as we point out on page 24 of our report, the Commission on State Mandates (Commission) found that many activities included in the peace officer rights law are not reimbursable because they already were required under constitutional provisions. Further, as indicated on page 28 of our report, we relied on the plain language in the statement of decision and parameters and guidelines in performing our analysis of claimed costs. We also confirmed our understanding of the parameters and guidelines with Commission staff.
- On page 26 of our report, we acknowledge that local entity methods for complying with mandates may vary and they may have different activities related to the disciplinary process. However, if a local entity believes the Commission should have identified more reimbursable activities, that entity could have brought these issues to the Commission's attention when it considered the proposed parameters and guidelines. Alternatively, the entity could have submitted a subsequent request to amend the parameters and guidelines to include additional activities.

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Agency's comments provided as text only.

City of San José
Parks, Recreation and Neighborhood Services
4 N. Second Street, Suite 600
San José, CA 95113

October 1, 2003

Elaine M. Howle*
State Auditor
555 Capital Mall, Suite 300
Sacramento, CA 95814

Dear Ms. Howle,

Thank you for providing the City of San José with a draft copy of your report on state mandates and for the opportunity to respond. The Bureau's audit raised issues and identified areas in the Parameters and Guidelines that require further clarification.

In the excerpt from the section related to reimbursable portion of acquiring space, the auditors stated that San José constructed a facility larger than required by the mandate in order to accommodate potential population growth and capacity to contract with other cities. Prior to the design of the shelter, San José contracted with one other city to provide their long term sheltering needs. The sheltering needs of both cities were considered in the size of the facility. The facility is designed to accommodate the provision of the mandate for the animals that San José is legally responsible for, and those include animals from a contract city.

The auditor's report maintains that San José did not provide sufficient documentation to support the costs for Care of Dogs and Cats, and Veterinary care. As noted in the report, the claimed costs resulted from the costs incurred in contracting with the Humane Society for these services, which are not itemized to the level of detail necessary to prepare the cost reimbursement claim. The City requested the detail of its contractual costs when it became aware that the Bureau considers all the costs unsupported but given the limited time frame, the Humane Society is unable to provide the detail in time for this response.

In the errors section, the Bureau maintains that the City overstated the costs for acquiring space. The difference between the Bureau's calculation and the City's concerns the number of animals housed. The City did not include owned animals that were brought in to be euthanized as a "housed" animal. Once a pet owner requests that an animal be euthanized, the Humane Society has no requirement to house or care for that animal. In 2001/02, 81% of the owned animals requested to be euthanized were euthanized within 5 hours of arriving at the shelter. Sixty three percent were euthanized within 2 hours. Since there was never intent to care for or maintain those animals, they should not be included in the housed population.

* California State Auditor's comment appears on page 105.

The City of San José will carefully consider the issues raised in the report, and will refile a claim based on the information and recommendations provided by the Bureau. The claiming methodology outlined in the Parameters and Guidelines can be limiting for agencies that contract shelter services. The Parameters and Guidelines have no provisions for using a standard unit cost or cost per animal based on industry standards. In San Jose's situation the contract does not provide sufficient detail to satisfy claiming requirements, even though it is clear that the City has incurred reimbursable costs.

One notable change to our claiming approach in the future will occur when the City of San José opens its own shelter in the winter of 2003. When the City's shelter opens, we will be able to itemize, document and better support claimed costs. This change includes activities that previously could not be accurately determined because of our contractual arrangement for shelter services.

Thank you for this opportunity to comment on this BSA report. If you or your staff have any questions about this audit response, please contact Jon Cicirelli at (408) 501-2141.

Sincerely,

(Signed by: Sara L. Hensley)

SARA L. HENSLEY
Director of Parks, Recreation and
Neighborhood Services

COMMENT

California State Auditor's Comment on the Response From the City of San Jose

To provide clarity and perspective, we are commenting on the response to our audit from the city of San Jose (San Jose). The number corresponds with the number we have placed in San Jose's response.

- We continue to disagree with San Jose's definition of a "housed" animal because the animal adoption parameters and guidelines do not support such an interpretation. Specifically, the parameters and guidelines require claimants to include animals turned in by their owners in the count of housed animals. Additionally, the parameters and guidelines require claimants to include irremediably suffering animals in their count of housed animals, even though such animals would likely be euthanized sooner than animals euthanized at the request of owners. Thus, neither the amount of time an animal spends at the shelter nor the shelter's intent to care for the animal is a relevant factor in determining the number of housed animals. If San Jose questions the accuracy or fairness of the parameters and guidelines, it should request that the Commission on State Mandates consider amending them.

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Agency's comments provided as text only.

City of Stockton
Administrative Services
City Hall
425 N. El Dorado Street
Stockton, CA 95202-1997

October 1, 2003

Elaine M. Howle
State Auditor
Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, California 95814

**CITY OF STOCKTON RESPONSE TO AUDIT OF ANIMAL ADOPTION AND PEACE OFFICER
PROCEDURAL BILL OF RIGHTS MANDATES CLAIMS**

Enclosed is our response to the issues concerning the City of Stockton in your audit report for Animal Adoption and Peace Officer Procedural Bill of Rights mandates claims.

Per your request, we have submitted the response on the diskette provided in a Microsoft Word format. If you need any additional information please contact Joe Maestretti in the Stockton Police Fiscal Affairs Unit at (209) 937-8886.

(Signed by: John Hinson)

John Hinson
Administrative Services Officer
City of Stockton

Enclosure

JH:jm

City of Stockton Response to
Animal Adoption and Peace Officer Procedural Bill of Rights Audit

The City of Stockton generally agrees with the findings, conclusions, and recommendations in the audit report on Animal Adoption and Peace Officer Procedural Bill of Rights mandates as they relate to the City of Stockton. The City of Stockton has hired a new consultant to help us review our claims and claiming processes, and we will file amended claims with the State Controller's Office for all claims that we find in error.

cc: Members of the Legislature
Office of the Lieutenant Governor
Milton Marks Commission on California State
Government Organization and Economy
Department of Finance
Attorney General
State Controller
State Treasurer
Legislative Analyst
Senate Office of Research
California Research Bureau
Capitol Press

COMMISSION ON STATE MANDATES

80 NINTH STREET, SUITE 300
ACRAMENTO, CA 95814
PHONE: (916) 323-3562
FAX: (916) 445-0278
E-mail: csmInfo@csm.ca.gov



December 10, 2003

Ms. Elaine M. Howle
State Auditor
555 Capitol Mall, Suite 300
Sacramento, CA 95814

RE: Bureau of State Audits' October 15, 2003 Report *Peace Officers Procedural Bill of Rights* and *Animal Adoption* Programs, Report No. 2003-106
Sixty-Day Report on Implementation

Dear Ms. Howle:

The Audit Report on the above-named programs requires the Commission on State Mandates (Commission) to report on its efforts to implement the report recommendations within sixty days, six months, and one year of release of the Audit Report. This is our sixty-day report.


Since the Audit Report's release, commission staff met with staff of the State Controller's Office to develop a common understanding of the Audit Report recommendations, and to discuss how the Commission and the State Controller's Office can best implement the recommendations.

Commission staff also developed language for inclusion in all new parameters and guidelines adopted on or after December 2, 2003, that will notify claimants and the relevant state entities that the statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The language also points out that the support for such legal and factual findings is found in the administrative record of the test claim.

Attached is a work plan to implement the Audit Report recommendations, including person(s) responsible for managing implementation and estimated completion dates.

Please call Nancy Patton at (916) 323-8217 with questions.

Sincerely,


PAULA HIGASHI
Executive Director

Attachment: Commission on State Mandates Implementation of BSA Report No. 2003-106

**COMMISSION ON STATE MANDATES
IMPLEMENTATION OF BSA REPORT NO. 2003-106**

BSA Recommendations and Summary of Tasks	Responsible Person	Complete Date
Recommendation 1. <i>To ensure that local entities receive reimbursement only for costs associated with the increased holding period for eligible animals, the Legislature should direct the Commission to amend the parameters and guidelines of the Animal Adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space.</i>	Paul Starkey	
Summary of Tasks		
If legislation is enacted to require the Commission to amend the parameters and guidelines, develop the language to correct the formula.		Upon statutory direction
Schedule proposed amendment for hearing before the Commission.		To be determined
Transmit new parameters and guidelines to the SCO and parties, if approved by the Commission.		To be determined
Recommendation 2. <i>To assist local entities in preparing mandate reimbursement claims, the Commission should include language in its parameters and guidelines to notify claimants and the relevant state entities that the statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines; it should also point out that the support for such legal and factual findings is found in the administrative record of the test claim.</i>	Shirley Opie	
Summary of Tasks		
Develop language for inclusion in all new parameters and guidelines adopted on or after December 2, 2003.		10/23/03
CSM hearing to take action on proposed language.		12/2/03

BSA Recommendations and Summary of Tasks (continued)	Responsible Person	Complete Date
Recommendation 3. <i>The Commission should work with the Controller, other affected state agencies, and interested parties to implement appropriate changes to the regulations governing the mandate process, allowing the Controller sufficient time to perform field reviews and identify any inappropriate claiming as well as suggest any needed changes to the parameters and guidelines prior to the development of the statewide cost estimate and the payment of claims. If the Commission and the Controller find they cannot accomplish these changes through the regulatory process, they should seek appropriate statutory changes.</i>	Paula Higashi	
Summary of Tasks		
Commission staff and SCO staff meet to discuss implementation of this recommendation.		11/3/03
Commission staff and SCO staff meet to continue discussion of implementation of this recommendation.		11/19/03
Commission staff schedule meetings with Department of Finance and other affected state agencies to discuss implementation of this recommendation.		To be determined
Commission staff schedule meetings with interested parties to discuss implementation of this recommendation.		To be determined
Commission staff submit 2004 rulemaking calendar. Staff will include a placeholder for regulation changes in the event regulation changes are necessary to implement this recommendation.		1/29/04
Commission staff will develop and propose appropriate changes to the regulations if the SCO staff determines how to identify potential claiming errors and ensure that costs are consistent with legislative and Commission intent.		To be determined
Commission staff will work with SCO to develop any changes to statute that may be necessary to implement this recommendation		To be determined

BSA Recommendations and Summary of Tasks (continued)	Responsible Person	Complete Date
Recommendation 4: <i>To project more accurate statewide cost estimates, the Commission staff should more carefully analyze the completeness of the initial claims data they use to develop the estimates and adjust the estimates accordingly. Additionally, when reporting to the Legislature, the Commission should disclose the incomplete nature of the initial claims data it uses to develop the estimates.</i>	Nancy Patton	
Summary of Tasks		
Develop additional assumptions and revise method for projecting future-year costs in accordance with the audit recommendation for the <i>Presidential Primary</i> program statewide cost estimate that will be heard at the Commission's January 29, 2004 hearing. (Development of assumptions and projecting future-year costs will occur on an individual basis for each statewide cost estimate.)		12/1/03
Utilize new methods to develop all statewide cost estimates adopted by the Commission on or after the January 29, 2004 Commission hearing.		Ongoing
Revise Reports to the Legislature to disclose incomplete nature of initial claims data used to develop statewide cost estimate, beginning with Reports submitted after the December 2, 2003 Commission hearing.		Ongoing
Recommendation 5: <i>To ensure that it is able to meet its statutory deadlines in the future, the Commission should continue to assess its caseload and work with the Department of Finance and the Legislature to obtain sufficient staffing to deal with its caseload.</i>	Paula Higashi	
Summary of Tasks		
Prepare and submit budget change proposals to Department of Finance for additional staff and resources that support the Commission's caseload.		Ongoing
Report at each Commission hearing the status of caseload.		Ongoing
Continue to update the Assembly Special Committee on State Mandates, and the Senate and Assembly Budget and Appropriations Committees on caseload issues.		Upon request
Report pending statewide cost estimates to the Legislature to notify the Legislature of potential future costs to the state budget.		Ongoing

COMMISSION ON STATE MANDATES

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April 14, 2004

Ms. Elaine M. Howle
State Auditor
555 Capitol Mall, Suite 300
Sacramento, CA 95814

Re: Bureau of State Audits' October 15, 2003 Report *Peace Officers Procedural Bill of Rights* and *Animal Adoption* Programs, Report No. 2003-106
Six-Month Report on Implementation

Dear Ms. Howle:

The Audit Report on the above-named programs, issued on October 15, 2003, requires the Commission on State Mandates (Commission) to report on its efforts to implement the report recommendations within sixty days, six months, and one year of release of the Audit Report. This is our six-month report.

Since the sixty-day report was submitted, Commission staff continued to meet with State Controller's Office staff to develop proposed legislation to require the Commission to amend the parameters and guidelines of the *Animal Adoption* program to correct the formula for determining the reimbursable portion of acquiring additional shelter space, and to allow the Controller sufficient time to perform field reviews to identify any inappropriate claiming. The Commission and the State Controller are co-sponsoring legislation (Assembly Bill 2224 - Cohn) that will implement these Audit Report recommendations. Commission and State Controller's Office staff also met with Department of Finance staff on March 29, 2004, to discuss the proposed changes in AB 2224. Meetings with local agency and school district representatives will also be scheduled in Spring 2004 to discuss AB 2224.

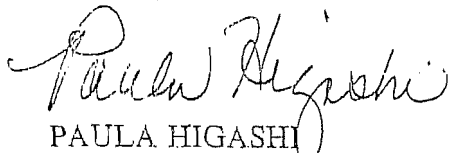
In addition, the Commission adopted its first statewide cost estimate on March 25, 2004, that was developed using the revised methods of calculation recommended in the Audit Report. Additional proposed statewide cost estimates that are being developed using the revised calculation methods are scheduled for hearing before the Commission on May 27, 2004.

Ms. Elaine Howle
Page Two

Attached is an updated work plan to implement the Audit Report recommendations, including person(s) responsible for managing implementation and estimated completion dates.

Please call Nancy Patton at (916) 323-8217 with questions.

Sincerely,



PAULA HIGASHI
Executive Director

Attachment: Workplan

**COMMISSION ON STATE MANDATES
IMPLEMENTATION OF BSA REPORT NO. 2003-106**

BSA Recommendations and Summary of Tasks	Responsible Person	Complete Date
Recommendation 1. <i>To ensure that local entities receive reimbursement only for costs associated with the increased holding period for eligible animals, the Legislature should direct the Commission to amend the parameters and guidelines of the Animal Adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space.</i>	Paul Starkey	
Summary of Tasks		
Sponsor legislation (AB 2224 – Cohn) to require Commission to amend parameters and guidelines		Completed (08/25/04)
If legislation is enacted to require the Commission to amend the parameters and guidelines, develop the language to correct the formula.		Ongoing
Schedule proposed amendment for hearing before the Commission.		To be determined
Transmit new parameters and guidelines to the SCO and parties, if approved by the Commission.		To be determined
Recommendation 2. <i>To assist local entities in preparing mandate reimbursement claims, the Commission should include language in its parameters and guidelines to notify claimants and the relevant state entities that the statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines; it should also point out that the support for such legal and factual findings is found in the administrative record of the test claim.</i>	Nancy Patton	
Summary of Tasks		
Develop language for inclusion in all new parameters and guidelines adopted on or after December 2, 2003.		Completed (10/23/03)
CSM adopted language for inclusion in all parameters and guidelines.		Completed (12/2/03)

BSA Recommendations and Summary of Tasks (continued)	Responsible Person	Complete Date
Recommendation 3. <i>The Commission should work with the Controller, other affected state agencies, and interested parties to implement appropriate changes to the regulations governing the mandate process, allowing the Controller sufficient time to perform field reviews and identify any inappropriate claiming as well as suggest any needed changes to the parameters and guidelines prior to the development of the statewide cost estimate and the payment of claims. If the Commission and the Controller find they cannot accomplish these changes through the regulatory process, they should seek appropriate statutory changes.</i>	Paula Higashi	
Summary of Tasks		
Commission staff and SCO staff meet to discuss implementation of this recommendation.		11/3/03
Commission staff and SCO staff continue to meet to discuss implementation of this recommendation and AB 2224.		11/19/03 12/16/03 1/21/04
Commission staff and SCO staff meet with Department of Finance to discuss implementation of this recommendation and AB 2224.		03/29/04
Commission staff meet with local agency and school district representatives to discuss implementation of AB 2224.		09/29/04
Commission staff submit 2004 rulemaking calendar. Staff includes a placeholder for regulation changes in the event regulation changes are necessary to implement this recommendation.		1/29/04
Commission staff will develop and propose appropriate changes to the regulations if the SCO staff determines how to identify potential claiming errors and ensure that costs are consistent with legislative and Commission intent.		To be determined

BSA Recommendations and Summary of Tasks (continued)	Responsible Person	Complete Date
Recommendation 4: <i>To project more accurate statewide cost estimates, the Commission staff should more carefully analyze the completeness of the initial claims data they use to develop the estimates and adjust the estimates accordingly. Additionally, when reporting to the Legislature, the Commission should disclose the incomplete nature of the initial claims data it uses to develop the estimates.</i>	Nancy Patton	
Summary of Tasks		
Develop additional assumptions and revise method for projecting future-year costs in accordance with the audit recommendation for the <i>Presidential Primary</i> program statewide cost estimate. (Development of assumptions and projecting future-year costs will occur on an individual basis for each statewide cost estimate.)		12/1/03
Commission adopts statewide cost estimate for <i>Presidential Primary</i> program using revised calculations as recommended in Audit Report.		3/25/04
Utilize new methods to develop all statewide cost estimates adopted by the Commission on or after the March 25, 2004 Commission hearing.		Complete
Revise Reports to the Legislature to disclose incomplete nature of initial claims data used to develop statewide cost estimate, beginning with Reports submitted after the December 2, 2003 Commission hearing.		Complete (10/05/04)
Recommendation 5: <i>To ensure that it is able to meet its statutory deadlines in the future, the Commission should continue to assess its caseload and work with the Department of Finance and the Legislature to obtain sufficient staffing to deal with its caseload.</i>	Paula Higashi	
Summary of Tasks		
Prepare and submit budget change proposals to Department of Finance for additional staff and resources that support the Commission's caseload.		Ongoing
Report at each Commission hearing the status of caseload.		Ongoing
Continue to update the Assembly Special Committee on State Mandates, and the Senate and Assembly Budget and Appropriations Committees on caseload issues.		Ongoing
Report pending statewide cost estimates to the Legislature to notify the Legislature of potential future costs to the state budget.		Ongoing

COMMISSION ON STATE MANDATES

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October 12, 2004

Ms. Elaine M. Howle
State Auditor
555 Capitol Mall, Suite 300
Sacramento, CA 95814

Re: Bureau of State Audits' October 15, 2003 Report *Peace Officers Procedural Bill of Rights and Animal Adoption Programs*, Report No. 2003-106
One-Year Report on Implementation

Dear Ms. Howle:

The Audit Report on the above-named programs, issued on October 15, 2003, requires the Commission on State Mandates (Commission) to report on its efforts to implement the report recommendations within sixty days, six months, and one year of release of the Audit Report. This is our one-year report.

Sixty-Day Report

During the first sixty days following release of the Audit Report, staff with the Commission and the State Controller's Office met to develop a common understanding of the Audit Report recommendations, and to discuss how the Commission and the State Controller's Office can best implement the recommendations.

The Commission also adopted language for inclusion in all new parameters and guidelines adopted on or after December 2, 2003, that notifies claimants and the relevant state entities that the statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The language also points out that the support for such legal and factual findings is found in the administrative record of the test claim. These actions completed implementation of Recommendation 2.

In addition, on October 31, 2003, the Commission submitted a budget change proposal to Department of Finance requesting additional positions and funding to eliminate our backlogged caseload.

Six-Month Report

During the six months following release of the Audit Report, the Commission and the State Controller's Office sponsored legislation (AB 2224-Cohn) to require the Commission to amend the parameters and guidelines of the *Animal Adoption* program to correct the formula for determining the reimbursable portion of acquiring additional shelter space, and to allow the Controller sufficient time to perform field reviews to identify any inappropriate claiming. Staff with the Commission and the State Controller's Office also met with Department of Finance staff on March 29, 2004, to discuss the proposed changes in AB 2224.

In addition, the Commission adopted its first statewide cost estimate on March 25, 2004, in accordance with the Audit Report's Recommendation 4. Specifically, Commission staff more carefully analyzed the completeness of the initial claims data used to develop and adjust the statewide cost estimates. Additional proposed statewide cost estimates were developed using the recommended methodology and were adopted at the May 27, 2004 Commission hearings.

One-Year Report

Since the six-month report was submitted, several actions occurred that implemented the Audit Report recommendations.

The Governor signed AB 2224 (Stats. 2004, ch. 313) on August 25, 2004. On September 29, 2004, staff with the Commission and the State Controller's Office met with local agency representatives to review AB 2224 and to discuss a schedule for initiating the amendments to the *Animal Adoption* parameters and guidelines. This matter is tentatively set for hearing on March 31, 2005. Once the amendments are adopted, Recommendation 1 will be implemented. We also met with local agency and school district representatives to discuss the new provisions that will allow the State Controller's Office to audit reimbursement claims after they are submitted and prior to being paid. Enactment of this provision of AB 2224 completes implementation of Recommendation 3.

The Commission continued to adopt statewide cost estimates using the recommended methodology. On October 6, 2004, the Commission submitted its Report to the Legislature, transmitting to the Legislature the statewide cost estimates it adopted from January 1 through September 30, 2004. The Report disclosed the incomplete nature of the initial claims data used to develop the statewide cost estimates. The Commission's Report to the Legislature is enclosed. This action completes implementation of Recommendation 4.

On September 13, 2004, the Commission again submitted a budget change proposal requesting additional positions and funding to eliminate the caseload. This action is intended to implement Recommendation 5. While no new positions or funding has been approved, the Commission continues to work with Department of Finance on ways to eliminate its backlogged caseload.

Other Measures to Implement the Audit Report

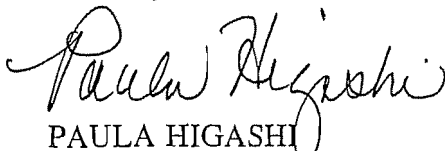
In conjunction with the actions noted above, the Commission continues to work with the Assembly Special Committee on State Mandates to reform the mandates process. This year, the Committee sponsored AB 2856 (Stats. 2004, ch. 890) to provide numerous reforms to the mandates process. Several of these provisions are consistent with the Audit Report. For example, AB 2856 requires the Commission to notify appropriate Senate and Assembly policy and fiscal committees of test claim decisions; and requires local agencies and school districts to include statewide cost estimates in the test claims they file.

Overall, the Commission has procedures in place to amend the *Animal Adoption* parameters and guidelines by Spring 2005. The Commission and the State Controller successfully sponsored legislation that clarifies that after the audit is conducted, the parameters and guidelines for a mandated program could be amended so that claiming errors can be corrected prior to adoption of the statewide cost estimate and payment of the claims. This could reduce state expenditures, particularly if claims exceed the Legislature's original intent when enacting the state-mandated program. In addition, the Commission is adopting statewide cost estimates that better estimate the true costs of mandated programs and more accurately report the limitations of the statewide cost estimates to the Legislature. Finally, the Commission continues to work with the Legislature and the Department of Finance to secure adequate staffing and funding to eliminate our backlogged caseload.

Attached is a work plan that shows the status of implementation of the Audit Report recommendations, including person(s) responsible for implementation.

Thank you for the opportunity to work with your office during this process. Please call Nancy Patton at (916) 323-8217 with questions.

Sincerely,


PAULA HIGASHI
Executive Director

Enclosures: Final Workplan
Report to the Legislature

**COMMISSION ON STATE MANDATES
IMPLEMENTATION OF BSA REPORT NO. 2003-106**

BSA Recommendations and Summary of Tasks	Responsible Person(s)	Status
Recommendation 1. <i>To ensure that local entities receive reimbursement only for costs associated with the increased holding period for eligible animals, the Legislature should direct the Commission to amend the parameters and guidelines of the Animal Adoption mandate to correct the formula for determining the reimbursable portion of acquiring additional shelter space.</i>	Paula Higashi Paul Starkey Nancy Patton	
Summary of Tasks		
Sponsor legislation (AB 2224 – Cohn) to require Commission to amend parameters and guidelines.		Completed (08/25/04)
Once legislation is enacted to require the Commission to amend the parameters and guidelines, develop the draft language to correct the formula and issue for comment.		12/01/04
Schedule proposed amendment for hearing before the Commission.		03/31/05
Transmit new parameters and guidelines to the SCO and parties, if approved by the Commission.		Following Hearing
Recommendation 2. <i>To assist local entities in preparing mandate reimbursement claims, the Commission should include language in its parameters and guidelines to notify claimants and the relevant state entities that the statement of decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines; it should also point out that the support for such legal and factual findings is found in the administrative record of the test claim.</i>	Nancy Patton	
Summary of Tasks		
Develop language for inclusion in all new parameters and guidelines adopted on or after December 2, 2003.		Completed (10/23/03)
CSM adopted language for inclusion in all parameters and guidelines.		Completed (12/02/03)

BSA Recommendations and Summary of Tasks (continued)	Responsible Person(s)	Status
Recommendation 3. <i>The Commission should work with the Controller, other affected state agencies, and interested parties to implement appropriate changes to the regulations governing the mandate process, allowing the Controller sufficient time to perform field reviews and identify any inappropriate claiming as well as suggest any needed changes to the parameters and guidelines prior to the development of the statewide cost estimate and the payment of claims. If the Commission and the Controller find they cannot accomplish these changes through the regulatory process, they should seek appropriate statutory changes.</i>	Paula Higashi	
Summary of Tasks		
Commission staff and SCO staff meet to discuss implementation of this recommendation.		Completed (11/03/03)
Commission staff and SCO staff continue to meet to discuss implementation of this recommendation and AB 2224.		Completed (11/19/03 12/16/03 01/21/04)
Commission staff and SCO staff meet with Department of Finance to discuss implementation of this recommendation and AB 2224.		Completed (03/29/04)
AB 2224 enacted		Completed (08/25/04)
Commission staff and SCO staff meet with local agency and school district representatives to discuss implementation of AB 2224.		Completed (09/29/04)

BSA Recommendations and Summary of Tasks (continued)	Responsible Person(s)	Status
Recommendation 4: <i>To project more accurate statewide cost estimates, the Commission staff should more carefully analyze the completeness of the initial claims data they use to develop the estimates and adjust the estimates accordingly. Additionally, when reporting to the Legislature, the Commission should disclose the incomplete nature of the initial claims data it uses to develop the estimates.</i>	Nancy Patton	
Summary of Tasks		
Develop additional assumptions and revise method for projecting future-year costs in accordance with the audit recommendation for the <i>Presidential Primary</i> program statewide cost estimate. (Development of assumptions and projecting future-year costs will occur on an individual basis for each statewide cost estimate.)		Completed (12/01/03)
Commission adopts statewide cost estimate for <i>Presidential Primary</i> program using revised calculations as recommended in Audit Report.		Completed (03/25/04)
Utilize new methods to develop all statewide cost estimates adopted by the Commission on or after the March 25, 2004 Commission hearing.		Completed (05/27/04)
Revise Reports to the Legislature to disclose incomplete nature of initial claims data used to develop statewide cost estimate, beginning with Reports submitted after the December 2, 2003 Commission hearing.		Completed (10/05/04)
Recommendation 5: <i>To ensure that it is able to meet its statutory deadlines in the future, the Commission should continue to assess its caseload and work with the Department of Finance and the Legislature to obtain sufficient staffing to deal with its caseload.</i>	Paula Higashi	
Summary of Tasks		
Prepare and submit budget change proposals to Department of Finance for additional staff and resources that support the Commission's caseload.		Ongoing
Report at each Commission hearing the status of caseload.		Ongoing
Continue to update the Assembly Special Committee on State Mandates, and the Senate and Assembly Budget and Appropriations Committees on caseload issues.		Ongoing
Report pending statewide cost estimates to the Legislature to notify the Legislature of potential future costs to the state budget.		Ongoing

ARNOLD SCHWARZENEGGER
VERNOR



STATE OF CALIFORNIA COMMISSION ON STATE MANDATES

REPORT TO THE LEGISLATURE: APPROVED MANDATE CLAIMS

January 1, 2004 – September 30, 2004

Donna Arduin
Chairperson,
Department of Finance

Philip Angelides
Vice Chairperson,
State Treasurer

Steve Westly
State Controller

Jan Boel
Acting Director,
Office of Planning and Research

John Lazar
City Council Member,
City of Turlock

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- D. Test Claims Pending Before the Commission on State Mandates

EXECUTIVE SUMMARY

The Commission on State Mandates (Commission) adopted eleven statewide cost estimates during the period from January 1, 2004, through September 30, 2004. One of these estimates included costs for both school districts and local agencies. For the initial period of reimbursement, statewide cost estimates for eight new school district programs totaled \$30,842,073, and statewide cost estimates for four new local agency programs totaled \$13,967,373. The statewide cost estimates add up to \$44,809,446, and were not included in a local government claims bill or appropriated in the 2004-2005 Budget Act or trailer bills.

On May 4, 2004, the State Controller's Office (SCO) requested additional funds in the amount of \$1,731,492,609 (\$1,000,204,578 for local agencies, \$682,152,348 for school districts, and \$49,135,683 for community colleges) because of an overall appropriation deficiency. The Department of Finance denied this request.

However, through the Budget Act of 2004, budget trailer bills, and a proposed constitutional amendment, appropriations for ongoing and deficient mandate reimbursements were addressed by the Legislature and the Administration.

I. INTRODUCTION

The Commission on State Mandates (Commission) is required to report to the Legislature at least twice each calendar year on the number of mandates it has found, the estimated statewide costs of each mandate, and the reasons for recommending reimbursement.¹

On October 15, 2003, the Bureau of State Audits (BSA) issued an audit report on two mandated programs and the mandates process. The BSA issued one recommendation regarding the development of statewide cost estimates, stating:

To project more accurate statewide cost estimates, the Commission staff should more carefully analyze the completeness of the initial claims data they use to develop the estimates and adjust the estimates accordingly. Additionally, when reporting to the Legislature, the Commission should disclose the incomplete nature of the initial claims data it uses to develop the estimates.

After the Commission submits its second semiannual report to the Legislature, the Legislative Analyst is required to submit a report to the Joint Legislative Budget Committee and legislative fiscal committees on the mandates included in the Commission's reports. The Legislative Analyst's report shall make recommendations as to whether the mandate should be repealed, funded, suspended, or modified.²

Immediately upon receipt of this report, a local government claims bill, at the time of its introduction, shall provide for an appropriation sufficient to pay the estimated costs of these mandates approved by the Commission.³ The Legislature may amend, modify, or supplement the parameters and guidelines for mandates contained in the local government claims bill. If the Legislature changes the parameters and guidelines, it shall make a declaration in the local government claims bill specifying the basis for the amendment, modification, or supplement.⁴ If the Legislature deletes funding for a mandate from a local government claims bill, the local agency or school district may file an action in declaratory relief in the Superior Court of the County of Sacramento to declare the mandate unenforceable and enjoin its enforcement.⁵

If payment for an initial reimbursement claim is being made more than 365 days after adoption of the statewide cost estimate, the State Controller's Office (SCO) shall include accrued interest at the Pooled Money Investment Account rate.⁶

If the Legislature appropriates the amount of the statewide cost estimate and actual claims exceed this amount, the SCO will prorate the claims.⁷ If the deficiency funds are not appropriated in the Budget Act, the SCO reports this information to the legislative budget

¹ Government Code section 17600.

² Government Code section 17562, subdivision (c).

³ Government Code section 17612, subdivision (a).

⁴ Government Code section 17612, subdivision (b).

⁵ Government Code section 17612, subdivision (c).

⁶ Government Code section 17561.5, subdivision (a).

⁷ Government Code section 17567.

**TABLE 1. Statewide Cost Estimates (SCE) Adopted
During the Period of January 1, 2004 – September 30, 2004**

Date SCE Adopted ⁸	Test Claim	<i>Estimated Costs</i>			
		Initial Period of Reimbursement (Fiscal years)	Education	Non- Education	Totals
03/25/04	<i>Presidential Primaries 2000, 99-TC-04</i>	1999-2000		\$1,167,736	\$1,167,736
05/27/04	<i>Immunization Records: Hepatitis B, 98-TC-05</i>	1997-1998 through 2004-2005	\$29,629,070		\$29,629,070
05/27/04	<i>Grand Jury Proceedings, 98-TC-27</i>	1997-1998 through 2004-2005	\$115,499	\$12,508,570	\$12,624,069
07/29/04	<i>Standards Based Accountability, 98-TC-10</i>	1997-1998 through 1998-1999	\$578,224		\$578,224
07/29/04	<i>School District Reorganization, 98-TC-24</i>	1997-1998 through 2004-2005	\$1,000		\$1,000
07/29/04	<i>Attendance Accounting, 98-TC-26</i>	1998-1999 (one-year only)	\$49,086		\$49,086
07/29/04	<i>Redevelopment Agencies: Tax Disbursement Reporting, 99-TC-06</i>	1998-1999 through 2004-2005		\$65,300	\$65,300
09/30/04	<i>Charter Schools II, 99-TC-03</i>	1999-2000 through 2004-2005	\$206,595		\$206,595
09/30/04	<i>Sexual Assault Education Programs, 99-TC-12</i>	1998-1999 through 2004-2005	\$0		\$0
09/30/04	<i>Criminal Background Checks II, 00-TC-05</i>	1999-2000 through 2004-2005	\$262,599		\$262,599
09/30/04	<i>Absentee Ballots: Tabulation by Precinct, 00-TC-08</i>	1999-2000 through 2004-2005		\$225,767	\$225,767
TOTALS			\$30,842,073	\$13,967,373	\$44,809,446

⁸ If payment for an initial reimbursement claim is made more than 365 days after adoption of the statewide cost estimate, the Controller shall include accrued interest at the Pooled Money Investment Account rate. (Gov. Code, § 17561.6, subd. (a).)

II. NEW MANDATES

Presidential Primaries 2000 (99-TC-04)

Elections Code Sections 15151 and 15375

Statutes 1999, Chapter 18 (SB 100)

Test Claim Filed: October 25, 1999

Reimbursement Period: 1999-2000

Initial Reimbursement Claims Filed: September 3, 2003

Statewide Cost Estimate: \$1,167,736

Adopted: March 25, 2004

Background

In 1999, Elections Code sections 15151 and 15375 were amended to ensure that California's presidential primary delegates would be recognized at the national party conventions held in the year 2000. The test claim legislation required local election officials to transmit both semi-final and final election results for presidential primaries in two separate tallies to the Secretary of State: first, the total number of votes each candidate received; and second, the number of votes each candidate received from registered voters of each political party and from the "declines-to-state" voters. On October 25, 2001, the Commission adopted its Statement of Decision that the test claim legislation constitutes a reimbursable state-mandated program upon local governments within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

The pro rata portion of the purchase price of fixed assets and equipment, including computers, used to implement the *Presidential Primaries 2000* program is eligible for reimbursement. If these costs are claimed and reimbursed through *Absentee Ballots* (Stats. 1978, ch. 77), they cannot be claimed under the *Presidential Primaries 2000* program.

Statewide Cost Estimate

The statewide cost estimate was developed using unaudited, actual reimbursement claims filed by 34 claimants. The SCO provided summary claims data for fiscal years 1999-2000, 2000-2001, and 2001-2002. However, since this program was only required for the 2000 Presidential Primary Election, costs claimed for fiscal years 2000-2001 and 2001-2002 are not reimbursable, and thus, were not included in the statewide cost estimate.

In adopting the estimate, the Commission made the following assumptions:

1. The actual amount claimed may increase if late or amended claims are filed.
2. The claims may be excessive. Some counties may have filed for reimbursement for fixed assets that are being used for purposes other than implementing this mandate. For example, it appears that Humboldt County claimed \$273,760 for establishing a new tabulation system that not only allows the county to tabulate the votes twice for the 2000 Presidential Primary Election, but also updates the county's tabulation system for all elections.
3. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Grand Jury Proceedings (98-TC-27)

Penal Code Sections 914, 933, 933.05, and 938.4

Statutes 1996, Chapter 1170 (SB 11457)

Statutes 1997, Chapter 443 (AB 829)

Statutes 1998, Chapter 230 (AB 1907)

Test Claim Filed: June 30, 1999

Initial Reimbursement Period: 1997-1998 through 2004-2005

Initial Reimbursement Claims Filed: February 3, 2004

Statewide Cost Estimate: \$12,624,069

Adopted: May 27, 2004

Background

Statutes 1996, chapter 1170, Statutes 1997, chapter 443, and Statutes 1998, chapter 230 added or amended Penal Code sections 914, 933, 933.05, and 938.4 to revise grand jury operations. On June 27, 2002, the Commission adopted its Statement of Decision that the test claim legislation constitutes a reimbursable state-mandated program upon local governments within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

Statewide Cost Estimate

The statewide cost estimate is based on 276 unaudited, actual reimbursement claims. Eighteen cities, thirty-seven counties, 1 city and county, and 3 special districts filed two hundred and forty nine claims. Fifteen school districts filed 27 claims. Eight fiscal years are covered by the estimate of \$12,624,069. Of this amount, \$12,508,570 is for local agencies and \$115,499 is for school districts.

The estimate for fiscal years 1997-1998 through 2002-2003 is based on the actual reimbursement claims. Fiscal years 2003-2004 and 2004-2005 were projected by multiplying the prior year reimbursement claims total by the appropriate implicit price deflators as forecast by the Department of Finance.

In adopting the estimate, the Commission made the following assumptions:

1. The actual amount claimed may increase if late or amended claims are filed.
2. Twenty of the 58 counties have not filed any reimbursement claims for this program. Fifteen of the non-filing counties have populations less than 200,000 persons. If reimbursement claims are filed by the remaining five counties: San Diego, Contra Costa, Kern, San Joaquin, and Solano, the amount of reimbursement claims may exceed the statewide cost estimate.
3. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Redevelopment Agencies—Tax Disbursement Reporting (99-TC-06)

Health and Safety Code Section 33672.7

Statutes 1998, Chapter 39 (SB 258)

Test Claim Filed: March 3, 2000

Initial Reimbursement Period: 1998-1999 through 2004-2005

Initial Reimbursement Claims Filed: March 26, 2004

Statewide Cost Estimate: \$65,300

Adopted: July 29, 2004

Background

The test claim legislation requires the county auditor to prepare annual tax disbursement statements for community redevelopment agency project areas. Prior law required that the auditor prepare such a statement only upon the request of a redevelopment agency. The enactment of Health and Safety Code section 33672.7 created new reporting requirements in that a statement must now be prepared for every community redevelopment agency project, regardless of whether one was requested. On October 24, 2002, the Commission adopted its Statement of Decision that the test claim legislation constitutes a reimbursable state-mandated program upon local governments within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

The Commission adopted uniform cost allowances for this program pursuant to Government Code section 17557. Actual costs shall be claimed based on the following uniform allowance per tax disbursement statement as adopted by the Commission. The Implicit Price Deflator referenced in Government Code section 17523 shall adjust the uniform allowance each subsequent year.

Reimbursement is determined by multiplying the uniform allowance by the number of statements prepared for each project area.

Statewide Cost Estimate

The parameters and guidelines adopted by the Commission provides reimbursement for the preparation of a statement for each *project area* that provides the amount of disbursement made. However, the SCO's claiming instructions require counties to claim the number of statements prepared for every community redevelopment agency *project*. This results in a significant difference as there can be multiple projects within the boundaries of a project area. The test claim legislation specifically requires that a statement be prepared for each *project area* rather than for each project.

Consequently, the SCO's summary claims data are inaccurate, and thus, were not used to develop the statewide cost estimate. The SCO reports that it will contact claimants to discuss revising the claiming instructions and reducing claims.

The estimate for fiscal years 1998-1999 through 2003-2004 was based on the State Controller's *Community Redevelopment Agencies Annual Reports* and the uniform allowances adopted by the Commission. Fiscal year 2004-2005 was projected by multiplying the estimated claim total for fiscal year 2002-2003 by the implicit price deflator for 2003-2004, as forecast by the Department of Finance.

In adopting the estimate, the Commission made the following assumptions:

1. Each fiscal year, a statement was prepared for each redevelopment project area in the county.
2. The actual amount claimed may increase if late or amended claims are filed. Only four of the 58 counties filed reimbursement claims for this program. However, since this program is reimbursed using a uniform cost allowance of approximately \$21 to \$25 per redevelopment project area, a county would need to have a minimum of 40 redevelopment project areas in order to meet the \$1,000 filing threshold. Most counties cannot meet this threshold.
3. Based on the reported number of project areas, the County of Riverside has enough to meet the filing threshold. Therefore, even though the county has not filed reimbursement claims, it was included in the cost estimate. On the other hand, Contra Costa County did file reimbursement claims, but it did not report enough project areas to meet the \$1,000 claiming threshold in any fiscal year. Therefore, Contra Costa County was not included in this statewide cost estimate.
4. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Absentee Ballots: Tabulation by Precinct (00-TC-08)

Elections Code Sections 15111, 15321, and 21000

Statutes 1999, Chapter 697

Test Claim Filed: March 12, 2001

Reimbursement Period: 1999-2000 through 2004-2005

Initial Reimbursement Claims Filed: June 1, 2004

Statewide Cost Estimate: \$225,767

Pending Action: September 30, 2004

Background

The test claim legislation requires county elections officials, for statewide elections or certain special elections conducted between June 1, 2000, and January 1, 2001, to tabulate, by precinct, votes cast by absentee ballots and votes cast at the polling place. The subject test claim legislation also requires the county elections official to make each precinct's election results available to the Legislature and appropriate legislative committees for use in district apportionment. Finally, the test claim legislation requires the elections official's list of absentee voters to include the voter's election precinct.

Statewide Cost Estimate

The statewide cost estimate is based on 18 unaudited, actual reimbursement claims filed by counties.

In adopting the estimate, the Commission made the following assumptions:

1. The claiming data is inaccurate. The parameters and guidelines adopted by the Commission for this program provide one-time reimbursement for specific administrative duties and election activities, and ongoing activities for certain list modifications. Most of the one-time activities were limited to a one-year period between January 1, 2000, and January 1, 2001. The ballot tabulation activity and transmitting election returns to the Secretary of State are only reimbursable for each election held between June 1, 2000, and January 1, 2001. Some of the administrative duties may have been claimed for multiple fiscal years.
2. The actual amount claimed may increase if late or amended claims are filed. To date, only 12 of the 58 counties filed reimbursement claims for this program. Thus, if reimbursement claims are filed by any of the remaining 46 counties, the amount of reimbursement claims may exceed the statewide cost estimate.
3. Many counties already had a software system implemented to accommodate tabulation of ballots by precinct prior to the reimbursement period for this program. Thus, costs for developing or modifying election equipment and software and testing should be minimal. Most counties will not be able to meet the \$1,000 filing threshold.
4. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Immunization Records – Hepatitis B (98-TC-05)

Education Code Section 48216

Health and Safety Code Sections 120325, 120335, 120340, and 120375

Statutes 1978, Chapter 325 (AB 2260); Statutes 1979, Chapter 435 (AB 805);

Statutes 1982, Chapter 472 (SB 818); Statutes 1991, Chapter 984 (SB 407);

Statutes 1992, Chapter 13 (AB 2798); Statutes 1994, Chapter 1172 (AB 2971);

Statutes 1995, Chapters 219 and 415 (AB 382 and SB 1360);

Statutes 1996, Chapter 1023 (SB 1497);

Statutes 1997, Chapters 855 and 882 (SB 727 and AB 381)

California Code of Regulations, Title 17, Sections 6020, 6035,
6040, 6055, 6065, 6070, and 6075

Test Claim Filed: August 17, 1998

Initial Reimbursement Period: 1997-1998 through 2004-2005

Initial Reimbursement Claims Filed: March 26, 2004

Statewide Cost Estimate: \$29,629,070

Adopted: May 27, 2004

Background

The test claim legislation for *Immunization Records: Hepatitis B* added mumps, rubella, and hepatitis B to the list of diseases an entering student must be immunized against prior to first admission into a school. Hepatitis B immunizations were also required for students entering the seventh grade. In addition, the test claim legislation amended statutes that required the Department of Health Services to amend regulations relating to the monitoring, record keeping, reporting, and parent notification requirements relative to the enforcement of the pupil immunization requirements. On August 24, 2000, the Commission adopted its Statement of Decision that the test claim legislation constitutes a reimbursable state-mandated program upon school districts within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

Pursuant to Government Code section 17557, the Commission adopted separate uniform cost allowances for this program for "new entrants" and "seventh grade pupils." Uniform Cost allowances were adopted for each fiscal year between 1997-1998 and 2002-2003. Subsequent to 2002-2003, the uniform cost allowances shall be adjusted each fiscal year by the implicit price deflator referenced in Government Code section 17523.

Reimbursement for new entrants is determined by multiplying the uniform cost allowance for the appropriate fiscal year by the number of "New Entrants." A "New Entrant" includes kindergarteners and out-of-state transfers. Reimbursement for seventh graders is determined by multiplying the uniform cost allowance for the appropriate fiscal year by the number of "Seventh Grade Pupils." A "Seventh Grade Pupil" is any pupil advancing to the seventh grade, other than "New Entrants."

Statewide Cost Estimate

The statewide cost estimate is based on 2,694 unaudited, actual reimbursement claims filed by school districts for fiscal years 1997-1998 through 2002-2003.

The estimate for fiscal years 1997-1998 through 2002-2003 is based on the claiming data provided by the SCO. Cost estimates for fiscal years 2003-2004 and 2004-2005 were projected using kindergarten and seventh grade enrollment data from the California Department of Education's (CDE) Dataquest web site. This mandate applies to new entrants and seventh grade pupils. New entrants are defined as kindergarteners and out-of-state transfers. However, this statewide cost estimate does not include projections for out-of-state transfers because according to the CDE's Educational Demographics Office, data is not collected for interstate transfers. Therefore, based only on kindergarten and seventh grade enrollment data, the Commission calculated enrollment figures for school years 2003-2004 and 2004-2005. Costs were estimated by multiplying the projected enrollment figures with the appropriate uniform cost allowance.

In adopting the estimate, the Commission made the following assumptions:

1. The claiming data is accurate, although unaudited.
2. The actual amount claimed will increase when late or amended claims are filed.
3. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

School District Reorganization (98-TC-24)

Education Code Sections 35704, 35705.5, and 35707

Statutes 1980, Chapter 1192 (AB 3018)

Statutes 1994, Chapter 1186 (SB 1537)

Test Claim Filed: June 30, 1999

Reimbursement Period: 1997-1998 through 2004-2005

Initial Reimbursement Claims Filed: February 3, 2004

Statewide Cost Estimate: \$1,000

Adopted: July 29, 2004

Background

On October 24, 2002, the Commission adopted its Statement of Decision finding that the test claim legislation constitutes a reimbursable state-mandated program upon county offices of education within the meaning of article XIII B, section 6 of the California Constitution and Government Code section 17514 for certain activities related to school district reorganizations initiated by voters, landowners or district governing boards.

Statewide Cost Estimate

Only county superintendents of schools or county offices of education participating in school district reorganizations initiated by voters or property owners (but not for those initiated by school district governing boards) are eligible to claim reimbursement. Costs incurred on or after July 1, 1997 for compliance with the mandate are reimbursable. No reimbursement claims have been filed for this program.

Under the existing mandates process, the amount of a statewide cost estimate is reported to the Legislature and introduced in a local government claims bill. Once the local government claims bill appropriates funds for the initial reimbursement period, the program's annual statewide estimated costs are placed in the State Budget. Since there are no claims on which to base this statewide cost estimate, the Commission adopted a statewide cost estimate of \$1,000 for this program. This estimate will initiate the process for informing the Legislature of the costs of the program and identifying the program in the State Budget. However, if reimbursement claims were filed on this program, the amount appropriated in the State Budget to fund this program would be deficient.

In adopting the estimate, the Commission made the following assumptions:

1. If this program were implemented, the actual amount claimed would exceed the statewide cost estimate because there would only be \$1,000 appropriated in the State Budget to fund the program.
2. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Standards-Based Accountability (98-TC-10)

Department of Education Standards-Based Accountability Memoranda,
Dated June 30, 1997, and April 15, 1998

Test Claim Filed: December 10, 1998

Reimbursement Period: 1997-1998 through 1998-1999

Initial Reimbursement Claims Filed: December 9, 2003

Statewide Cost Estimate: \$578,224

Adopted: July 29, 2004

Background

The California Department of Education (CDE) memoranda dated June 30, 1997, and April 15, 1998, require the State Board of Education and the Superintendent of Public Instruction to design, implement, and adopt statewide academically rigorous content standards in reading, writing, and mathematics to serve as the basis for assessing the academic achievement of individual pupils and of schools, school districts, and the California education system. On August 29, 2002, the Commission adopted its Statement of Decision determining that the above-named CDE memoranda imposes a reimbursable state-mandated program for school districts within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514, by imposing reporting requirements on designated school districts to address the above CDE requirements.

Statewide Cost Estimate

The statewide cost estimate is based on 43 unaudited, actual reimbursement claims filed by 41 school districts. The Beardsley Elementary School District's claim for \$956 is not included in the statewide cost estimate because it is less than \$1,000, the minimum reimbursement amount.

In adopting the estimate, the Commission made the following assumptions:

1. The claiming data may be inaccurate. Summerville Elementary School District (enrollment of 474) filed reimbursement claims for \$12,199 in 1997-1998, and \$12,692 in 1998-1999. However, a school district of comparative size filed a reimbursement claim of approximately \$1,400.⁹ In fact, a school district with enrollment 20 times that of Summerville filed a smaller claim.¹⁰ Therefore, only \$1,500 per fiscal year was included in the cost estimate for Summerville Elementary School District.
2. The actual amount claimed could significantly increase if late or amended claims are filed. According to CDE, between 250-300 school districts were required to participate in this program for fiscal years 1997-1998 and 1998-1999. However, only 41 of the 500-600 school districts have filed reimbursement claims.
3. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

⁹ Soulsbyville School District, with enrollment of 679, filed a reimbursement claim for \$1,447 for the 1998-1999 fiscal year.

¹⁰ Palos Verdes Peninsula Unified School District, with enrollment of 9,543, filed a reimbursement claim for \$10,417 for the 1997-1998 fiscal year.

Attendance Accounting (98-TC-26)

Education Code Sections 2550.3 and 42238.7

Statutes 1997, Chapter 855 (SB 727)

Statutes 1998, Chapter 846 (SB 1468)

Test Claim Filed: June 29, 1999

Reimbursement Period: 1998-1999

Initial Reimbursement Claims Filed: February 3, 2004

Statewide Cost Estimate: \$49,086

Adopted: July 29, 2004

Background

The test claim arose from enactments of or amendments to the Education Code that added new student attendance reporting requirements for school districts and county offices of education. On October 24, 2002, the Commission adopted its Statement of Decision finding that Education Code sections 2550.3 and 42238.7 impose costs mandated by the state pursuant to Government Code section 17514, for the one-time activity for school districts and county offices of education to complete and return a "Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727" to the Superintendent of Public Instruction.

Statewide Cost Estimate

The statewide cost estimate is based on 25 unaudited, actual reimbursement claims filed by 22 school districts and 3 county offices of education.

In adopting the estimate, the Commission made the following assumptions:

1. The actual amount claimed could increase if late or amended claims are filed. Only 25 out of over 1,000 school districts and county offices of education have filed reimbursement claims.
2. It is possible that late claims will not be filed for this program. According to a school district representative, no additional claims may be filed because:
 - The claimants probably no longer have the documentation to support reimbursement claims for fiscal year 1998-1999.
 - The cost to perform the reimbursable activity for many claimants may not have met the required \$1,000 claim minimum.
 - This is only a one-year program. School districts, particularly larger districts, may elect not to expend staff time to file for reimbursement for a one-year program.
3. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Charter Schools II (99-TC-03)

Education Code Sections 47605, Subdivisions (j)(1) and (k)(3), 47605.5, 47607, and 47614
Statutes 1998, Chapters 34 and 673

Test Claim Filed: June 29, 1999

Reimbursement Period: 1999-2000 through 2004-2005

Initial Reimbursement Claims Filed: June 1, 2004

Statewide Cost Estimate: \$206,595

Pending Action: September 30, 2004

Background

The Commission has adopted two decisions related to the *Charter Schools* program:

- *Charter Schools I*. On July 21, 1994, the Commission adopted its Statement of Decision finding that Education Code sections 47605 and 47607, as added by Statutes 1992, chapter 781, require new activities related to initial charter school petitions and for monitoring and evaluating the performance of charter schools pertaining to the revision or renewal of approved charters.
- *Charter Schools II*. On November 21, 2002, the Commission adopted its Statement of Decision finding that Education Code sections 47605, subdivisions (j)(1) and (k)(3), 47605.5, 47607, and 47614, as added or amended by Statutes 1998, chapters 34 and 673, require new activities that replaces the previously approved mandate in *Charter Schools* for a review process for denied charter petitions.

The parameters and guidelines for the *Charter Schools II* program was consolidated with the original *Charter Schools* program on December 2, 2003. The period of reimbursement section of the consolidated parameters and guidelines states that costs for *Charter Schools* already claimed for fiscal years 1998-1999 through 2002-2003 are not reimbursable.

Statewide Cost Estimate

The statewide cost estimate is based on seven unaudited, actual reimbursement claims filed by two school districts and a county superintendent of schools.

In adopting the estimate, the Commission made the following assumptions:

1. The actual amount claimed will increase when late or amended claims are filed, and could exceed the statewide cost estimate.
2. Significant numbers of late claims will not be filed because the cost to perform the reimbursable activities for *Charter Schools II* are minimal when compared to the costs already claimed for the original *Charter Schools* mandate and are less than the \$1,000 minimum for filing an annual reimbursement claim.
3. The statewide cost estimate of this program will increase if the number of charter schools increase, the number of charter school petitions filed in fiscal year 2004-2005 increases, and/or the number of eligible claimants increases.
4. The costs of this program will decrease if the number of charter schools declines and/or the number of eligible claimants declines.

5. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Sexual Assault Response Procedures (99-TC-12)

Education Code Section 67385

Statutes 1990, Chapter 423

Statutes 1995, Chapter 758

Test Claim Filed: June 21, 2000

Reimbursement Period: 1998-1999 through 2004-2005

Initial Reimbursement Claims Filed: June 7, 2004

Statewide Cost Estimate: \$0

Pending Action: September 30, 2004

Background

The test claim legislation requires the governing board of each community college district to adopt and implement a written procedure or protocols at each of their campuses or facilities to ensure that students, faculty and staff who are victims of sexual assault receive treatment and information. The statute specifies the minimum content of the written procedure or protocols.

Statewide Cost Estimate

At this time, no reimbursement claims have been filed for this program. Under the existing mandates process, the amount of a statewide cost estimate is reported to the Legislature and introduced in a local government claims bill. Once the local government claims bill appropriates funds for the initial reimbursement period, the program's annual statewide estimated costs are placed in the State Budget. Since there are no claims on which to base this statewide cost estimate, the Commission adopted a statewide cost estimate of \$0 for this program. This will initiate the process for informing the Legislature that there are no costs for this program. However, if reimbursement claims are filed on this program by June 6, 2005, a deficiency will be reported to the Legislature by the SCO.

In adopting the estimate, the Commission made the following assumptions:

1. Since the reimbursable activities are limited to the development and implementation of policies and procedures, which does not include the activities to carry out those policies and procedures, it is anticipated that most claimants will not meet the \$1,000 per year minimum filing threshold. Therefore it is unlikely that any claims will be filed on this program.
2. If claims were filed on this program, the actual amount claimed would exceed the statewide cost estimate because there would be no funds appropriated in the State Budget to fund this program.

Criminal Background Checks II (00-TC-05)

Education Code Sections 44830.1, 44830.2, 45125, 45125.01, and 45125.2

Statutes 1998, Chapters 594 and 840

Statutes 1999, Chapter 78

California Code of Regulations, Title 11, Sections 700-708

Test Claim Filed: December 15, 2000

Reimbursement Period: 1999-2000 through 2004-2005

Initial Reimbursement Claims Filed: June 7, 2004

Statewide Cost Estimate: \$262,599

Pending Action: September 30, 2004

Background

The Commission has adopted two decisions related to the *Criminal Background Checks* program:

- *Criminal Background Checks I.* In 1997, the Legislature enacted the Michelle Montoya School Safety Act that requires school districts to obtain criminal background checks on specified types of school district employees. School districts must also obtain criminal background checks of employees of entities that contract with the districts. The act also prohibits districts from employing or retaining temporary, substitute or probationary employees who have been convicted of a serious or violent felony. On March 25, 1999, the Commission adopted its Statement of Decision finding that this test claim imposes a reimbursable state-mandated program on school districts under article XIII B, section 6 of the California Constitution and Government Code section 17514.
- *Criminal Background Checks II.* In 1998 and 1999, the Legislature enacted legislation which added or amended Education Code sections relating to the following: criminal background checks of district employees, monitoring or separation of employees of construction contractors who work on school grounds, sending fingerprints to the Federal Bureau of Investigation (FBI), requesting from Department of Justice (DOJ) reports of subsequent arrest for employees, and storage and destruction of criminal record summaries. On February 27, 2003, the Commission adopted its Statement of Decision finding that Education Code sections 44830.1, 45125, 45125.01, and 45125.2 constitute new programs or higher levels of service for school districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514.

Statewide Cost Estimate

The statewide cost estimate is based on 23 unaudited, actual reimbursement claims filed by six school districts.

In adopting the estimate, the Commission made the following assumptions:

1. The actual amount claimed will increase when late or amended claims are filed, and could exceed the statewide cost estimate.

2. Significant numbers of late claims will not be filed because the cost to perform the reimbursable activities for *Criminal Background Checks II* are minimal when compared to the costs already claimed for the original *Criminal Background Checks I* mandate and are less than the \$1,000 minimum for filing an annual reimbursement claim.
3. Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

III. PENDING STATEWIDE COST ESTIMATES

**TABLE 2. Pending Statewide Cost Estimates
by Local Agencies and School Districts**

Local Agencies	School Districts
<i>Administrative License Suspension Per Se, 98-TC-16</i>	<i>Behavioral Intervention Plans, 4464*</i>
<i>Crime Victims' Domestic Violence Incident Reports, 99-TC-08*</i>	<i>Comprehensive School Safety Plans, 98-TC-01</i>
<i>Postmortem Exams: Unidentified Bodies, Human Remains, 00-TC-18</i>	<i>Pupil Promotion and Retention, 98-TC-19</i>
<i>Peace Officer Personnel Records: Unfounded Complaints and Discovery, 00-TC-24 and 00-TC-25</i>	<i>Stull Act, 98-TC-25*</i>
<i>False Reports of Police Misconduct, 00-TC-26*</i>	<i>Differential Pay & Reemployment, 99-TC-02</i>
<i>DNA Database, 00-TC-27*</i> -and <i>Amendment to Post Mortem Exams: Unidentified Bodies, 02-TC-39*</i>	<i>AIDS Prevention and Instruction II, 99-TC-07</i>
	<i>Enrollment Fee Collection, 99-TC-13* and Enrollment Fee Waivers, 00-TC-15*</i>
	<i>Teacher Incentive Program, 99-TC-15</i>
	<i>High School Exit Exam, 00-TC-06*</i>
	<i>Integrated Waste Management, 00-TC-07*</i>

* Currently in the parameters and guidelines phase.

IV. PRIOR YEAR MANDATE DEFICIENCIES

On May 4, 2004, the SCO requested additional funds in the amount of \$1,731,492,609 (\$1,000,204,578 for local agencies; \$682,152,348 for school districts; and \$49,135,683 for community colleges) because of an overall appropriation deficiency. This request was denied by the Department of Finance. (Appendix B)

The SCO reported, "The mandate program funding deficiencies are the result of deferred funding for new claims received during the 2002-2003, 2003-2004 fiscal years and prior years' insufficient appropriations. These new claims include 2001-2002 late claims, 2002-2003 actual cost claims and 2003-2004 estimated claims that are in excess of available appropriation balances." (Appendix C)

If funds are not appropriated for this request in the Budget Act, the Commission is required to include the deficiency in its report to the Legislature so that it is included in the next local government claims bills or other appropriation bills.¹¹

Adoption of the 2004 Budget was delayed while the Legislature and the Administration addressed the complex state-local fiscal relationships. Although the budget did not appropriate funds to address the total appropriation deficiency reported by the SCO, the following significant actions were taken through the Budget Act of 2004, trailer bills, and proposed constitutional amendment:

- The Education Budget Trailer Bill appropriated \$58,396,000 to the Controller to pay for prior year state obligations for education mandate claims and interest, as specified;
- The Budget Act of 2004:
 - deferred thirty-nine education mandates;
 - suspended five education mandates;
 - appropriated \$13.9 million to the Controller to reimburse cities, counties, and city and county for the *Animal Adoption* program (\$13.9 million);
 - appropriated \$69 million to reimburse counties for the *Handicapped and Disabled Students* program; and,
 - deferred or suspended all other local agency mandates.
- The Local Government Finance Trailer Bill codified a commitment to pay local agencies what is owed for mandate reimbursements. Senate Bill 1096 added section 17617 to the Government Code. This section states:

The total amount due to each city, county, city and county, and special district, for which the state has determined, as of June 30, 2005, that reimbursement is required under Section 6 of Article XIII B of the California Constitution, shall be appropriated for payment to these entities over a period of not more than five years, commencing with the Budget Act of 2006-07 fiscal year and concluding with the Budget Act for the 2011-12 fiscal year.

¹¹ Government Code section 17567.

- The Legislature approved Senate Constitutional Amendment 4, as Proposition 1A, to be presented to the voters on the November 2004 ballot. According to Legislative Analyst,
 - The measure amends the State Constitution to require the state to suspend certain state laws creating mandates in any year that the state does not fully reimburse local governments for their costs to comply with the mandates. Specifically, beginning July 1, 2005, the measure requires the state to either fully fund each mandate affecting cities, counties, and special districts or suspend the mandate's requirements for the fiscal year. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.
 - The measure also appears to expand the circumstances under which the state would be responsible for reimbursing cities, counties, and special districts for carrying out new state requirements. Specifically, the measure defines as a mandate state actions that transfer to local governments financial responsibility for a required program for which the state previously had complete or partial financial responsibility. Under current law, some such transfers of financial responsibilities may not be considered a state mandate.

APPENDICES

APPENDIX A

New Mandates: Reimbursable Activities Detail

STATEWIDE COST ESTIMATE

Statutes 1999, Chapter 18
Elections Code Sections 15151 and 15375
Presidential Primaries 2000 (99-TC-04)
County of Tuolumne, Claimant

Background and Summary of the Claim

Elections Code sections 15151 and 15375 were amended to ensure that California's presidential primary delegates would be recognized at the national party conventions in the year 2000. The test claim legislation requires local election officials to transmit both semi-final and final election results for presidential primaries in two separate tallies to the Secretary of State: first, the total number of votes each candidate received; and second, the number of votes each candidate received from registered voters of each political party and from the "declines-to-state" voters.

The claimant filed the test claim on October 25, 1999. The Commission on State Mandates (Commission) adopted the Statement of Decision on October 25, 2001, and the parameters and guidelines on February 27, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by September 3, 2003. The Commission adopted a statewide cost estimate of \$1,167,736 for this program on March 25, 2004.

Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

A. One-Time Activities

1. Research and Develop General Approach for Converting Voting Process

Meet with the Secretary of State to identify the methods, and develop the general approach for implementing the new election reporting requirements. Develop a specific plan and schedule for implementing the new primary election reporting process.

2. Develop or Modify Election Equipment and Software and Test

Obtain, develop, or contract for the modification of election systems and equipment to accommodate the one vote, two-count election system. Includes any automated system programming or reprogramming, and related costs, including testing of the ballot counting program.

3. Develop and Conduct Special Training Program (One-time per employee)

Develop and conduct a revised training program for regular and temporary election staff to carry out the changes necessary to implement the reporting requirements of the test claim legislation.

B. Ongoing Activities¹

1) Additional Election Ballot and Election Materials Costs

Additional costs, necessary to purchase or develop the special regular and absentee ballots and election materials to meet the requirements of the state-mandated election duties specified in Statutes 1999, chapter 18. Includes the development by elections officials of the procedures and mechanisms necessary to enable a tabulation of the ballots separately and by presidential candidate, and the additional necessary cost to design and print ballots necessary to submit the information required for the semi-final and final election results.

2) Secretary of State Test

Test the computer software and process until approved by the Secretary of State for utilization in the election. Only tests approved by the Secretary of State shall be reimbursable.

3) Ballot Tabulation

Count primary votes both by the presidential candidate and by party affiliation, which exceeds the prior single count process, including the additional staff time to count and inspect ballots, canvassing after the election, and the additional computer run time for election results.

4) Preparation and Submission of Statement of the Vote

- a. Prepare and submit semi-final primary election results, including the cost to determine and report the number of votes each candidate received from registered voters of each political party and from the "declines-to-state" voters at intervals not greater than two hours.
- b. Prepare and submit final primary election results, including the additional costs to prepare and submit the final election results to the Secretary of State in accordance with its procedures.
- c. Prepare and submit to the Secretary of State the doubling of the Statement of Vote.

The parameters and guidelines for the *Presidential Primaries 2000* program also allow reimbursement for the direct costs of the salaries and benefits of each employee implementing the program; materials and supplies; contracted services; and any costs for travel and training necessary to implement the program. The cost of fixed assets and equipment, including computers, is also eligible for reimbursement, but only the pro rata portion of the purchase price used to implement the *Presidential Primaries 2000* program may be reimbursed.

To the extent that any of the aforementioned costs are presently recouped through *Absentee Ballots* (Stats. 1978, ch. 77), such costs cannot be claimed under the *Presidential Primaries 2000* program.

¹ The one-time and on-going activities are eligible for reimbursement only for the 2000 Presidential Primary Election.

Statewide Cost Estimate

Assumptions

The statewide cost estimate is based on the following assumptions:

- 1) The statewide cost estimate is based on unaudited claims filed by 34 of the state's 58 counties.²
- 2) The actual amount claimed may increase if late or amended claims are filed.
- 3) The claims may be excessive. Some counties may have filed for reimbursement for fixed assets that are being used for purposes other than implementing this mandate. For example, it appears that Humboldt County claimed \$273,760 for establishing a new tabulation system that not only allows the county to tabulate the votes twice for the 2000 Presidential Primary Election, but also updates the county's tabulation system for all elections.
- 4) Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable.

Methodology

The statewide cost estimate was developed using actual reimbursement claims filed by 34 claimants. The summary claims data provided by the SCO for fiscal years 1999-2000, 2000-2001, and 2001-2002 and the actual reimbursement claims were reviewed to study claiming data and possible trends.

Since this program was only required for the 2000 Presidential Primary Election, costs (\$167,257) claimed for fiscal years 2000-2001 and 2001-2002 were not included in the statewide cost estimate.

Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Claim Totals
1999-2000	34	\$1,167,736
Total		\$1,167,736

² Claims data reported by the SCO as of February 10, 2004.

1570
1571
1572

1570

STATEWIDE COST ESTIMATE

Statutes 1996, Chapter 1170

Statutes 1997, Chapter 443

Statutes 1998, Chapter 230

Penal Code Sections 914, 933, 933.05, and 938.4

Grand Jury Proceedings (98-TC-27)

County of San Bernardino, Claimant

Background and Summary of the Mandate

Statutes 1996, chapter 1170, Statutes 1997, chapter 443, and Statutes 1998, chapter 230 added or amended Penal Code sections 914, 933, 933.05, and 938.4 to revise grand jury operations. On June 27, 2002, the Commission on State Mandates (Commission) adopted its Statement of Decision that the test claim legislation constitutes a reimbursable state-mandated program upon local governments within the meaning of article XIII B, section 6, of the California Constitution and Government Code section 17514.

The claimant filed the test claim on June 30, 1999. The Commission adopted the Statement of Decision on June 27, 2002, and the parameters and guidelines on July 31, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by February 3, 2004.

Discussion

Staff reviewed the claims data submitted by the claimants and compiled by the SCO.

The Commission approved the following reimbursable activities for this program:

A. One-Time County Activities

1. Developing policies and procedures for the activities listed in section IV. of these parameters and guidelines. (*Reimbursement period begins July 1, 1997.*)
2. Developing a training program for grand jurors that consider or take action on civil matters. As required by the court, reimbursement is limited to training for report writing, interviews, and grand jury's scope of responsibility and statutory authority. Costs to the county for the court to meet with the district attorney, county counsel, and at least one former grand juror to consult regarding grand jury training are reimbursable. (Pen. Code, § 914, subd. (b)). (*Reimbursement period begins January 1, 1998.*)

B. On-Going County Activities

1. Training each grand jury that considers or takes action on civil matters, as outlined in section IV. A. above (Pen. Code, § 914, subd. (b)). (*Reimbursement period begins January 1, 1998.*)

2. Grand jury meeting(s) with the subjects(s) of the grand jury's investigation(s) regarding the investigation.¹ Grand jury participation in the meeting(s) is reimbursable (Pen. Code, § 933.05, subd. (e)). (*Reimbursement period begins January 1, 1998.*)
3. Providing a suitable meeting room and providing support to the grand jury as the superior court determines is necessary (Pen. Code, § 938.4). See sections V. A3 and A4 for claiming the pro rata share of the meeting room cost if it is used for other purposes. (*Reimbursement period begins January 1, 1998.*)
4. The county clerk submitting a copy of the grand jury report and responses from the person or entity that is the subject of the grand jury report to the State Archivist. This includes the cost of duplication, mailing, or other form of transmittal (Pen. Code, § 933, subd. (b)). (*Reimbursement period begins January 1, 1999.*)

C. On-Going Local Agency or School District Activities² (*Reimbursement period begins July 1, 1997.*)

1. Preparing a response to each grand jury finding including those involving fiscal matters. The responding person or entity shall include one of the following into the response for each finding:
 - a. The respondent agrees with the finding.
 - b. The respondent disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed and shall include an explanation of the reasons therefore.
2. Preparing a response to each grand jury recommendation in which the responding person or entity shall report one of the following actions for each recommendation:
 - a. The recommendation has been implemented, with a summary regarding the implemented action.
 - b. The recommendation has not yet been implemented, but will be implemented in the future, with a timeframe for implementation.
 - c. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion by the officer or head of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the grand jury report regarding the grand jury finding.
 - d. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation therefore. (Pen. Code, § 933.05, subd. (a) and (b).)

¹ During an investigation, the grand jury shall meet with the subject of that investigation. (Pen. Code, § 933.05, subd. (e).)

² Any county, city, city and county, special district, joint powers agency, or school or community college district that is responding to a grand jury report.

3. A local agency or school district meeting with the grand jury as the subject of an investigation is reimbursable (Pen. Code, §933.05, subd. (e)). (*Reimbursement period begins January 1, 1998.*)

Statewide Cost Estimate

Recommendations from the Bureau of State Audits

On October 15, 2003, the Bureau of State Audits (BSA) issued an audit report on two mandated programs and the mandates process. The BSA issued one recommendation regarding the development of statewide cost estimates, stating:

To project more accurate statewide cost estimates, the Commission staff should more carefully analyze the completeness of the initial claims data they use to develop the estimates and adjust the estimates accordingly. Additionally, when reporting to the Legislature, the Commission should disclose the incomplete nature of the initial claims data it uses to develop the estimates.

Staff made the following assumptions and used the following methodology to develop a statewide cost estimate of the program and to implement the BSA's recommendation. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- The statewide cost estimate is based on 276 claims; 249 filed by 18 cities, 37 counties, one city and county, and three special districts; and 27 filed by 15 school districts.³
- The actual amount claimed will increase when late or amended claims are filed. Twenty of the 58 counties have not filed any reimbursement claims for this program. Fifteen of the non-filing counties have populations less than 200,000 persons. If reimbursement claims are filed by the remaining five counties: San Diego, Contra Costa, Kern, San Joaquin, and Solano, the amount of reimbursement claims may exceed the statewide cost estimate. For this program, late claims may be filed until February 2005.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

1997-2002 Costs

- Staff reviewed the summary claims data provided by the SCO for fiscal years (FY) 1997-1998 through 2002-2003. Staff then reviewed the reimbursement claims to study claiming data and possible trends. No trends could be identified for this program. Significant variations in costs claimed were found in county reimbursement claims.
- The proposed statewide cost estimate for FY 1997-1998 through 2002-2003 is based on the 276 unaudited, actual reimbursement claims.

³ Claims data reported by the SCO as of March 19, 2004.

2003-2005 Projected Costs

- Staff projected totals for FY 2003-2004 by multiplying the FY 2002-2003 claim total filed by claimants with the SCO by the implicit price deflator for 2002-2003 (2.3%), as forecast by the Department of Finance. Staff projected totals for FY 2004-2005 by multiplying the FY 2002-2003 claims total by the implicit price deflator for 2003-2004 (2.9%).

The proposed statewide cost estimate includes eight fiscal years for a total of \$12,624,069. Of this amount, \$12,508,570 is for local agencies and \$115,499 is for school districts. This averages to \$1,578,009 annually in costs for the state.

Following is a breakdown of estimated total costs per fiscal year:

Local Agencies		
Fiscal Year	Number of Claims Filed	Amount of Claims Filed
1997-1998	27	\$ 769,743
1998-1999	37	\$1,268,085
1999-2000	42	\$1,419,724
2000-2001	50	\$1,664,916
2001-2002	43	\$1,694,540
2002-2003	50	\$1,864,863
2003-2004 (est.)*	N/A	\$1,907,755
2004-2005 (est.)*	N/A	\$1,918,944
Subtotal	249	\$12,508,570

School Districts		
Fiscal Year	Number of Claims Filed	Amount of Claims Filed
1997-1998	4	\$ 12,832
1998-1999	1	\$ 6,697
1999-2000	2	\$ 2,764
2000-2001	4	\$ 8,959
2001-2002	9	\$ 27,160
2002-2003	7	\$ 18,705
2003-2004 (est.)*	N/A	\$ 19,135
2004-2005 (est.)*	N/A	\$ 19,247
Subtotal	27	\$ 115,499

Total	276	\$12,624,069
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STATEWIDE COST ESTIMATE

Health and Safety Code Section 33672.7

Statutes 1998, Chapter 39

Redevelopment Agencies—Tax Disbursement Reporting (99-TC-06)

County of Los Angeles, Claimant

Summary of the Mandate

Health and Safety Code section 33672.7, as added by Statutes 1998, chapter 39, requires the county auditor to prepare annual tax disbursement statements for community redevelopment agency project areas. Prior law required that the auditor prepare such a statement only upon the request of a redevelopment agency. The enactment of Health and Safety Code section 33672.7 created new reporting requirements in that a statement must now be prepared for every community redevelopment agency project, regardless of whether one was requested.

The claimant filed the test claim on March 3, 2000. The Commission on State Mandates (Commission) adopted the Statement of Decision on October 24, 2002, and the parameters and guidelines on September 25, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by March 26, 2004.

Discussion

Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

A. On-Going Activities

1. On or before August 15 of each year, prepare a statement for each project area that provides the amount of disbursement made in the prior fiscal year pursuant to Health and Safety Code section 33670 and the amounts of disbursement made pursuant to Health and Safety Code sections 33401, 33607.5, 33607.7, and 33676.
2. Duplicate and distribute the annual tax disbursement statements for community redevelopment agency project areas.

The Commission specifically found that the following activities were not reimbursable:

- Costs incurred to perform the calculation and disbursement of tax revenues to redevelopment agencies pursuant to Health and Safety Code sections 33401, 33607.5, 33607.7, 33670, and 33676 are not reimbursable.
- Costs incurred to prepare, duplicate, and distribute the statement are not reimbursable if the statement is requested by a redevelopment agency pursuant to Health and Safety Code section 33672.5.

Uniform Cost Allowance

The Commission adopted uniform cost allowances for this program pursuant to Government Code section 17557. Actual costs shall be claimed based on the following uniform allowance per tax disbursement statement as adopted by the Commission. The uniform allowance shall be adjusted each subsequent year by the Implicit Price Deflator referenced in Government Code section 17523.

Table 1. Adopted Uniform Allowances

Fiscal Year	Uniform Allowance
1998-1999	\$ 22.27
1999-2000	\$ 22.72
2000-2001	\$ 23.61
2001-2002	\$ 23.87
2002-2003	\$ 24.40
2003-2004	\$ 24.81

Reimbursement is determined by multiplying the uniform allowance by the number of statements prepared for each project area.

Statewide Cost Estimate

Staff reviewed the claims data submitted by the claimants and compiled by the SCO. The 19 actual claims filed by counties for fiscal years 1998-1999 through 2002-2003¹ are inaccurate and unaudited. The parameters and guidelines adopted by the Commission for this program provides reimbursement for the preparation of a statement for each *project area* that provides the amount of disbursement made. However, the SCO's claiming instructions require counties to claim the number of statements prepared for every community redevelopment agency *project*. This results in a significant difference as there can be multiple projects within the boundaries of a project area. The test claim legislation, Health and Safety Code section 33672.7, specifically requires that a statement be prepared for each project *area* rather than for each project.

Staff notified the SCO regarding this issue. The SCO reports that it will contact claimants to discuss revising the claiming instructions and reducing claims. Therefore, as discussed below, staff did not use the reimbursement claims data to develop the statewide cost estimate.

Staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology, will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- Each fiscal year, a statement was prepared for each redevelopment project area in the county.
- The actual amount claimed may increase if late or amended claims are filed. For this program, late claims may be filed until March 2005. To date, only four of the 58

¹ Claims data reported by the SCO as of May 19, 2004.

counties filed reimbursement claims for this program. However, since this program is reimbursed using a uniform cost allowance of approximately \$21 to \$25 per redevelopment project area, a county would need to have a minimum of 40 redevelopment project areas in order to meet the \$1,000 filing threshold. Most counties cannot meet this threshold.

- Although the County of Riverside has not filed reimbursement claims, it was included in the estimate because it has enough project areas to meet the filing threshold.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

1999 through 2004 Projected Costs

Staff based the statewide cost estimate for fiscal years 1998-1999 through 2003-2004 on the State Controller's *Community Redevelopment Agencies Annual Reports* and the uniform allowances adopted by the Commission. The following table shows the reported number of project areas by fiscal year for the four counties that submitted reimbursement claims and the County of Riverside:

Table 2. Number of Reported Project Areas by County and Fiscal Year

Fiscal Year	Contra Costa	Los Angeles	Orange	San Bernardino	Riverside
1998-1999*	39	215	63	67	83
1999-2000	39	215	63	67	83
2000-2001	30	203	51	67	73
2001-2002	29	194	52	69	65
2002-2003	27	194	51	72	62
2003-2004*	27	194	51	72	62

* The number of project areas is not available for this fiscal year. Therefore, for purposes of this estimate, the numbers directly after or before the fiscal year were used.

The following table shows the resulting reimbursable cost when the number of project areas is multiplied by the adopted uniform cost allowance shown in Table 1:

Table 3. Projected Costs

Fiscal Year	Contra Costa	Los Angeles	Orange	San Bernardino	Riverside
1998-1999	\$ 869	\$ 4,788	\$ 1,403	\$ 1,492	\$ 1,848
1999-2000	\$ 886	\$ 4,885	\$ 1,431	\$ 1,522	\$ 1,886
2000-2001	\$ 708	\$ 4,793	\$ 1,204	\$ 1,582	\$ 1,724
2001-2002	\$ 692	\$ 4,631	\$ 1,241	\$ 1,647	\$ 1,552
2002-2003	\$ 659	\$ 4,734	\$ 1,244	\$ 1,757	\$ 1,513
2003-2004	\$ 670	\$ 4,813	\$ 1,265	\$ 1,786	\$ 1,538

Contra Costa County did not meet the \$1,000 claiming threshold in any fiscal year. Therefore, it was not included in this statewide cost estimate.

Fiscal Year 2004-2005 Projected Costs

For fiscal year 2004-2005, staff projected costs by multiplying the estimated claim total for fiscal year 2002-2003 by the implicit price deflator for 2003-2004 (2.9%), as forecast by the Department of Finance.

The proposed statewide cost estimate includes seven fiscal years for a total of \$65,300. This averages to \$9,329 annually in costs for the state.

Following is a breakdown of estimated total costs per fiscal year:

Table 4. Estimated Total Costs per Fiscal Year

Fiscal Year	Claim Totals
1998-1999	\$ 4,743
1999-2000	\$ 10,610
2000-2001	\$ 10,011
2001-2002	\$ 9,763
2002-2003	\$ 9,907
2003-2004	\$ 10,072
2004-2005 (est.)	\$ 10,194
TOTAL	\$ 65,300

ITEM 12
FINAL STAFF ANALYSIS
PROPOSED STATEWIDE COST ESTIMATE

Elections Code Sections 15111, 15321, and 21000

Statutes 1999, Chapter 697

Absentee Ballots: Tabulation by Precinct (00-TC-08)

County of Orange, Claimant

EXECUTIVE SUMMARY

The test claim legislation requires county elections officials, for statewide elections or certain special elections conducted between June 1, 2000, and January 1, 2001, to tabulate, by precinct, votes cast by absentee ballots and votes cast at the polling place. The subject test claim legislation also requires the county elections official to make each precinct's election results available to the Legislature and appropriate legislative committees for use in district apportionment. Finally, the test claim legislation requires the elections official's list of absentee voters to include the voter's election precinct.

The claimant filed the test claim on March 12, 2001. The Commission on State Mandates (Commission) adopted the Statement of Decision on April 24, 2003, and the parameters and guidelines on December 2, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by June 1, 2004.

The SCO provided unaudited claims totals to the Commission on July 9, 2004. Staff reviewed the 18 actual claims filed by counties for fiscal years 1999-2000 through 2002-2003 and determined them to be inaccurate. For instance, the parameters and guidelines adopted by the Commission for this program provide one-time reimbursement for specific administrative duties and election activities, and ongoing activities for certain list modifications. Most of the one-time activities were limited to a one-year period between January 1, 2000, and January 1, 2001. The ballot tabulation activity and transmitting election returns to the Secretary of State are only reimbursable for each election held between June 1, 2000, and January 1, 2001. Some of the administrative duties may have been claimed for multiple fiscal years. In addition, many counties already had a software system implemented to accommodate tabulation of ballots by precinct prior to the reimbursement period for this program. Thus, costs for developing or modifying election equipment and software should be minimal, such that most counties will be unable to meet the \$1,000 filing threshold.

The proposed statewide cost estimate includes six fiscal years for a total of **\$225,767**. This averages to \$37,628 annually in costs for the state. The following table details the breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed	Claim Totals
1999-2000	5	\$ 23,998
2000-2001	9	175,188
2001-2002	2	6,844
2002-2003	2	6,417
2003-2004 (est.)	N/A	6,565
2004-2005 (est.)	N/A	6,755
TOTAL	18	\$ 225,767

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$225,767 for costs incurred in complying with the *Absentee Ballots: Tabulation by Precinct* program. If the statewide cost estimate is adopted, staff will report the estimate to the Legislature.

STAFF ANALYSIS

Summary of the Mandate

The test claim legislation requires county elections officials, for statewide elections or certain special elections conducted between June 1, 2000, and January 1, 2001, to tabulate, by precinct, votes cast by absentee ballots and votes cast at the polling place. The subject test claim legislation also requires the county elections official to make each precinct's election results available to the Legislature and appropriate legislative committees for use in district apportionment. Finally, the test claim legislation requires the elections official's list of absentee voters to include the voter's election precinct.

The claimant filed the test claim on March 12, 2001. The Commission adopted the Statement of Decision on April 24, 2003, and the parameters and guidelines on December 2, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by June 1, 2004.

Discussion

Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

One-Time Activities

1. Administrative Duties (*Reimbursement Period: January 1, 2000 - January 1, 2001*)
 - a. Research and Develop General Approach for Converting Tabulation Process
Meet with the software vendor to identify the methods, and develop the general approach for tabulating ballots by precinct. Develop a specific plan and schedule for implementing the new ballot tabulation process.
 - b. Develop or Modify Election Equipment and Software and Test
Obtain, develop, or contract for the modification of election systems and equipment to accommodate the tabulation of ballots by precinct. Includes any automated system programming or preprogramming, and the cost of testing the ballot tabulation program.
 - c. Develop and Conduct Special Training Program (one-time per employee)
Develop and conduct a revised training program for regular and temporary election staff to carry out the changes necessary to implement the ballot reporting requirements of the test claim legislation.

One-Time Activities Per Election¹

1. Tabulation By Precinct (Elec. Code, § 15321, subd. (a))
 - a. Additional Election Ballot and Election Materials Activities
(*Reimbursement Period: January 1, 2000 - January 1, 2001*)
Reformat the ballots so that election software will read and tabulate ballots by precinct.

¹ These activities may be reimbursed one time for each election held between June 1, 2000, and January 1, 2001.

b. Ballot Tabulation (*Reimbursement Period: June 1, 2000 - January 1, 2001*)

Tabulate by precinct, which exceeds the prior count by ballot style, those votes cast by absentee ballot and ballots cast at the polling place in statewide elections or special elections to fill a vacant congressional or legislative office for elections conducted between June 1, 2000, and January 1, 2001. The additional staff time to conduct the computer run for election results is reimbursable.

2. Returns Available to the Legislature (Elec. Code, §15321, subd. (b), and Elec. Code, § 21000) (*Reimbursement Period: June 1, 2000 - January 1, 2001*)

- a. Transmitting to the Secretary of State election returns by precinct reflecting the total for all ballots cast, including both absentee ballots and ballots cast at the polling places in statewide elections to fill a vacant congressional or legislative office for elections conducted between June 1, 2000, and January 1, 2001, is eligible for reimbursement.²

Ongoing Activities

1. List Modifications (Elec. Code, § 15111) (*Reimbursement begins January 1, 2000*)

- a. Include the precinct of each voter on the election official's list of voters who has received and voted an absentee ballot.

Statewide Cost Estimate

Staff reviewed the claims data submitted by the claimants and compiled by the SCO. Staff made the following assumptions and used the following methodology to develop a statewide cost estimate of this program. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology, will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- The statewide cost estimate is based on 18 actual claims filed by counties for fiscal years 1999-2000 through 2002-2003.³ However, the claiming data is inaccurate and unaudited. The parameters and guidelines adopted by the Commission for this program provide one-time reimbursement for specific administrative duties and election activities, and ongoing activities for certain list modifications. Most of the one-time activities were limited to a one-year period between January 1, 2000, and January 1, 2001. The ballot tabulation activity and transmitting election returns to the Secretary of State are only reimbursable for each election held between June 1, 2000, and January 1, 2001. Some of the administrative duties may have been claimed for multiple fiscal years.
- The actual amount claimed may increase if late or amended claims are filed. To date, only 12 of the 58 counties filed reimbursement claims for this program. Thus, if reimbursement claims are filed by any of the remaining 46 counties, the amount of reimbursement claims may exceed the statewide cost estimate. For this program, late claims may be filed until June 2005.

² The Secretary of State forwards the vote by precinct data to the appropriate committees of the Legislature.

³ Claims data reported by the SCO as of July 9, 2004.

- Many counties already had a software system implemented to accommodate tabulation of ballots by precinct prior to the reimbursement period for this program. Thus, costs for activity A.1.b. – develop or modify election equipment and software and test – should be minimal. Most counties will not be able to meet the \$1,000 filing threshold.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

1999-2003 Costs

The proposed statewide cost estimate for fiscal years 1999-2000 through 2002-2003 is based on 18 unaudited, actual reimbursement claims.

2003-2005 Projected Costs

Staff projected totals for fiscal year 2003-2004 by multiplying the total on 2002-2003 reimbursement claims by the implicit price deflator for 2002-2003 (2.3%), as forecast by the Department of Finance. Staff projected totals for fiscal year 2004-2005 by multiplying the 2003-2004 projection by the implicit price deflator for 2003-2004 (2.9%).

The proposed statewide cost estimate includes six fiscal years for a total of **\$225,767**. This averages to \$37,628 annually in costs for the state.

Following is a breakdown of estimated total costs per fiscal year:

Table 1. Estimated Total Costs per Fiscal Year

Fiscal Year	Number of Claims Filed	Claim Totals
1999-2000	5	\$ 23,998
2000-2001	9	175,188
2001-2002	2	6,844
2002-2003	2	6,417
2003-2004 (est.)	N/A	6,565
2004-2005 (est.)	N/A	6,755
TOTAL	18	\$ 225,767

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$225,767 for costs incurred in complying with the *Absentee Ballots: Tabulation by Precinct* program.

STATEWIDE COST ESTIMATE

Education Code Section 48216

Health and Safety Code Sections 120325, 120335, 120340, and 120375

Statutes 1978, Chapter 325

Statutes 1979, Chapter 435

Statutes 1982, Chapter 472

Statutes 1991, Chapter 984

Statutes 1992, Chapter 1300

Statutes 1994, Chapter 1172

Statutes 1995, Chapters 291 and 415

Statutes 1996, Chapter 1023

Statutes 1997, Chapters 855 and 882

California Code of Regulations, Title 17

Sections 6020, 6035, 6040, 6055, 6065, 6070, and 6075

Immunization Records – Hepatitis B (98-TC-05)

Los Angeles County Office of Education, Claimant

Background

Statutes 1977, chapter 1176, required persons under 18 years of age to be immunized against poliomyelitis (polio); measles; and diphtheria, pertussis, and tetanus (DPT) prior to unconditional first admission to a public or private elementary or secondary school, child care center, day nursery, nursery school, or development center. The law required school districts to maintain records of immunization of all school age children and report periodically to the state on the immunization status of all new entrants into the schools. On June 20, 1979, the Board of Control (predecessor to the Commission on State Mandates (Commission)) adopted the Statement of Decision for the *Immunization Records* test claim, finding that Statutes 1977, chapter 1176 imposed a reimbursable state-mandated program. On July 28, 1988, the Commission determined that costs incurred for compliance with Statutes 1977, chapter 1176 would be reimbursed through the State Mandates Apportionment System (SMAS), which was enacted by the Legislature to allow certain ongoing state-mandated programs to be funded automatically through the State Budget process, without the need for local governments to file annual claims for those costs with the State Controller.

Summary of the Mandate

The test claim legislation for *Immunization Records: Hepatitis B* added mumps, rubella, and hepatitis B to the list of diseases an entering student must be immunized against prior to first admission into a school. Hepatitis B immunizations were also required for students entering the seventh grade. In addition, the test claim legislation amended statutes and regulations relating to the monitoring, record-keeping, reporting, and parent notification requirements relative to the enforcement of the pupil immunization requirements.

The claimant filed the test claim on August 17, 1998. The Commission adopted the Statement of Decision on August 24, 2000, and the parameters and guidelines on July 31, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by February 3, 2004.

Reimbursable Activities

The Commission approved the following reimbursable activities for this program:

A. Proof of Immunizations for New Entrants: Kindergarteners and/or Out-of-State Transfers
(Reimbursement period begins: July 1, 1997.)

1. Request and review lawful exemption from, or proof of, immunization against mumps and rubella from each pupil seeking admission to school in the state for the first time. (Health & Saf. Code, §§ 120325, 120335, subd. (b), 120375, subd. (a); Cal. Code Regs., tit. 17, §§ 6020, 6065, subd. (b).)¹
2. Request and review lawful exemption from, or proof of, immunization against hepatitis B from each pupil entering specified institutions in the state for the first time at the kindergarten level after August 1, 1997. (Health & Saf. Code, §§ 120325, 120335, subd. (b), 120375, subd. (a); Cal. Code Regs., tit. 17, §§ 6020, 6065, subd. (b).)

B. Proof of Hepatitis B Immunizations for Students Entering Seventh Grade on or after July 1, 1999 (Reimbursement Period begins: July 1, 1999.)

1. Request and review lawful exemption from, or proof of, immunization against hepatitis B from each pupil advancing to the seventh grade on or after July 1, 1999. (Health & Saf. Code, §§ 120325, 120335, subd. (c); Cal. Code Regs., tit. 17, §§ 6020, 6065, subd. (b).)

C. Conditional Admission of Pupils and Parent Notification Requirements
(Reimbursement Period begins: July 1, 1997.)

1. Conditionally admit any pupil who has not been fully immunized for mumps, rubella, and hepatitis B by notifying parents or guardians of the date by which the pupil must complete the required immunizations. (Health & Saf. Code, §§ 120325, 120340; Cal. Code Regs., tit. 17, § 6035.)
2. Review the immunization record of each pupil admitted conditionally every thirty days until the pupil has been fully immunized. (Health & Saf. Code, §§ 120325, 120375, subd. (a); Cal. Code Regs., tit. 17, § 6070, subd. (e).)

D. Mandatory Pupil Exclusion and Parent Notification Requirements
(Reimbursement Period begins: July 1, 1998.)

1. Notify parents or guardians of the requirement to exclude the pupil from school if written evidence either that the pupil has been properly immunized or qualified for an exemption is not presented within 10 school days after notification. (Ed. Code, § 48216, subd. (b); Health & Saf. Code, § 120325; Cal. Code Regs., tit. 17, § 6040.)

¹ The addition of mumps and rubella to the list of diseases an entering student must be immunized against prior to first admission into a school should create *no incremental workload*, since in California, one vaccine is given for measles, mumps, and rubella (MMR), and measles is part of the original *Immunization Records* Parameters and Guidelines.

2. Refer the parents or guardians to a physician, nurse, or county health department for review of immunization records and provision of required immunizations, or notify them that the immunizations will be administered at a school of the district. (Ed. Code, § 48216, subd. (c); Health & Saf. Code, § 120325; Cal. Code Regs., tit. 17, § 6065, subd. (c).)
3. Exclude pupils from school attendance when written evidence of additional doses is not presented within ten days of parental notification. (Ed. Code, § 48216, subd. (a); Health & Saf. Code, §§ 120325, 120375, subd. (b); Cal. Code Regs., tit. 17, § 6055.)

E. Documentation and Reporting Requirements for Immunizations

(Reimbursement Period begins: July 1, 1997.)

1. Record each pupil's immunization for, or exemption from mumps, rubella, and hepatitis B on an immunization record and maintain the document in each pupil's permanent record. (Health & Saf. Code, §§ 120325, 120335, subd. (b), 120375, subd. (a); Cal. Code Regs., tit. 17, § 6070.)
2. Document additional vaccine doses on the pupil's immunization record as they are administered.² (Health & Saf. Code, §§ 120325, 120375, subd. (a); Cal. Code Regs., tit. 17, § 6070.)
3. Collect data and prepare reports annually on immunization status for the Department of Health Services. (Health & Saf. Code, §§ 120325, 120375, subd. (c); Cal. Code Regs., tit. 17, § 6075.)
4. Prepare follow-up or additional reports upon request by county health departments and the state. (Health & Saf. Code, §§ 120325, 120375, subd. (c); Cal. Code Regs., tit. 17, § 6075.)

Uniform Cost Allowances

The Commission adopted uniform cost allowances for this program pursuant to Government Code section 17557. The uniform cost allowances shall be adjusted by the Implicit Price Deflator (IPD) referenced in Government Code section 17523 each fiscal year subsequent to 2002-2003.

New Entrants

Activities that are reimbursable under the uniform cost allowance for "New Entrants" are as follows:

- Sections A, C, and E above are new activities for the hepatitis B immunization.
- Section D above are new activities for the DPT, polio, MMR, and hepatitis B immunizations.

Reimbursement is determined by multiplying the uniform cost allowance for the appropriate fiscal year by the number of "New Entrants." A "New Entrant" includes kindergarteners and out-of-state transfers.

² This activity is only for *documenting* additional vaccine doses on the pupil's immunization record. The test claim legislation does not mandate school districts to administer vaccines.

Table 1. Uniform Cost Allowance for New Entrants

Fiscal Year	Uniform Cost Allowance
1997-1998	\$ 2.12
1998-1999	\$ 5.87
1999-2000	\$ 6.14
2000-2001	\$ 6.38
2001-2002	\$ 6.48
2002-2003	\$ 6.59

Seventh Grade Pupils

Activities that are reimbursable under the uniform cost allowance for "Seventh Grade Pupils" are as follows:

- Sections B, C, D, and E above are new activities for the hepatitis B immunization.

Reimbursement is determined by multiplying the uniform cost allowance for the appropriate fiscal year by the number of "Seventh Grade Pupils." A "Seventh Grade Pupil" is any pupil advancing to the seventh grade, other than "New Entrants."

Table 2. Uniform Cost Allowance for Seventh Grade Pupils

Fiscal Year	Uniform Cost Allowance
1999-2000	\$ 3.23
2000-2001	\$ 3.36
2001-2002	\$ 3.41
2002-2003	\$ 3.47

Statewide Cost Estimate

Recommendations from the Bureau of State Audits

On October 15, 2003, the Bureau of State Audits (BSA) issued an audit report on two mandated programs and the mandates process. The BSA issued one recommendation regarding the development of statewide cost estimates, stating:

To project more accurate statewide cost estimates, the Commission staff should more carefully analyze the completeness of the initial claims data they use to develop the estimates and adjust the estimates accordingly. Additionally, when reporting to the Legislature, the Commission should disclose the incomplete nature of the initial claims data it uses to develop the estimates.

Staff made the following assumptions and used the following methodology to develop a statewide cost estimate of the program and to implement the BSA's recommendation. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- The statewide cost estimate is based on 2,694 actual claims filed by school districts for

fiscal years 1997-1998 through 2002-2003.³ The claiming data is accurate, although unaudited.

- The actual amount claimed will increase when late or amended claims are filed, and could exceed the statewide cost estimate. For this program, late claims may be filed until February 2005.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

1997-2003 Costs

The proposed statewide cost estimate for fiscal years 1997-1998 through 2002-2003 is based on 2,694 unaudited, actual reimbursement claims.

2003-2005 Projected Costs

A. Estimated Uniform Cost Allowances

1. New Entrants

For fiscal years 2003-2004 and 2004-2005, the uniform cost allowance for new entrants was adjusted by the IPD, as forecast by DOF.

**Table 3. Estimated Uniform Cost Allowances
for New Entrants**

Fiscal Year	Uniform Cost Allowance
2003-2004 (IPD = 2.3%)	\$6.74
2004-2005 (IPD = 2.9%)	\$6.94

2. Seventh Grade Pupils

For fiscal year 2003-2004, the uniform cost allowance for seventh grade pupils was adjusted by the IPD, as forecast by DOF. However, beginning with the 2004-2005 school year, only five of the ten activities remain necessary for seventh grade pupils because kindergarteners beginning in the 1997-1998 school year will become seventh graders by the 2004-2005 school year. Thus, their immunization records would have already been reviewed for hepatitis B.

Therefore, the uniform cost allowance for fiscal year 2004-2005 was calculated as follows:

Uniform Cost Allowance = (cost per activity per immunization) x (5), where

“cost per activity per immunization” equals the *Immunization Records* SMAS Rate for the appropriate fiscal year (estimated at \$5.48 for fiscal year 2004-2005) divided by the number of required activities (15), and “5” equals the

³ Claims data reported by the SCO as of March 19, 2004.

number of activities required to be performed for seventh-grade pupils beginning with the 2004-2005 school year.

**Table 4. Estimated Uniform Cost Allowances
for Seventh Grade Pupils**

Fiscal Year	Uniform Cost Allowance
2003-2004 (IPD = 2.3%)	\$3.55
2004-2005	\$1.83

B. Projected Costs

Cost estimates for fiscal years 2003-2004 and 2004-2005 were projected using kindergarten and seventh grade enrollment data from the California Department of Education's (CDE) Dataquest web site.

This mandate applies to new entrants and seventh grade pupils. New entrants are defined as kindergartners and out-of-state transfers. However, this proposed statewide cost estimate does not include projections for out-of-state transfers because according to the CDE's Educational Demographics Office, data is not collected for interstate transfers. Therefore, based only on kindergarten and seventh grade enrollment data, staff calculated enrollment figures for school years 2003-2004 and 2004-2005. The average percent change in enrollment for the 1996-1997 through 2002-2003 school years was -0.5 percent for kindergartners and 3.1 percent for seventh graders.⁴ Using these percentages, the following enrollment figures were estimated:

Table 5. Projected Enrollment Figures

School Year	Kindergarten	Seventh Grade
2003-2004	454,655	515,642
2004-2005	452,382	531,627

Costs were estimated by multiplying the projected enrollment figures above with the appropriate uniform cost allowance, as shown below.

**Table 6. Estimated Costs for Kindergartners
for Fiscal Years 2003-2004 and 2004-2005**

Fiscal Year	Projected Enrollment (a)	Estimated Uniform Cost Allowance (b)	Estimated Costs (c) = (a) * (b)
2003-2004	454,655	\$6.74	\$3,064,374.70
2004-2005	452,382	\$6.94	\$3,139,531.08

⁴ The 1996-1997 school year was used as the base since California's kindergarten through third grade Class Size Reduction program was established in 1996.

**Table 7. Estimated Costs for Seventh Grade Pupils
for Fiscal Years 2003-2004 and 2004-2005**

Fiscal Year	Projected Enrollment (a)	Estimated Uniform Cost Allowance (b)	Estimated Costs (c) = (a) * (b)
2003-2004	515,642	\$3.55	\$1,830,529.10
2004-2005	531,627	\$1.82	\$967,561.14

Table 8. Estimated Costs by Fiscal Year

Fiscal Year	Number of Claims Filed with SCO	Claim Totals
1997-1998	255	\$ 865,702
1998-1999	420	2,569,432
1999-2000	495	3,993,373
2000-2001	502	4,260,155
2001-2002	505	4,389,280
2002-2003	517	4,549,132
2003-2004 (est.)	N/A	4,894,904
2004-2005 (est.)	N/A	4,107,092
Total		\$ 29,629,070

The proposed statewide cost estimate includes eight fiscal years for a total of \$29,629,070. This averages to \$3,703,634 in annual costs to the state.

2000-2001

2001-2002

2002-2003

2003-2004

2004-2005

2005-2006

2006-2007

2007-2008

2008-2009

2009-2010

2010-2011

2011-2012

2012-2013

2013-2014

2014-2015

2015-2016

2016-2017

2017-2018

2018-2019

2019-2020

2020-2021

2021-2022

2022-2023

2023-2024

2024-2025

2025-2026

2026-2027

2027-2028

2028-2029

2029-2030

2030-2031

2031-2032

2032-2033

2033-2034

2034-2035

2035-2036

2036-2037

2037-2038

2038-2039

2039-2040

2040-2041

2041-2042

2042-2043

2043-2044

2044-2045

2045-2046

2046-2047

2047-2048

2048-2049

2049-2050

2050-2051

2051-2052

2052-2053

2053-2054

STATEWIDE COST ESTIMATE

Statutes of 1980, Chapter 1192

Statutes of 1994, Chapter 1186

Education Code Sections 35704, 35705.5, and 35707

School District Reorganization (98-TC-24)

San Luis Obispo County Office of Education, Claimant

Background and Summary of the Mandate

On October 24, 2002, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Education Code sections 35704, 35705.5, and 35707 impose new activities upon county offices of education. The Commission further found that these activities represent new programs or higher levels of service for county offices of education within the meaning of article XIII B, section 6 of the California Constitution and impose costs mandated by the state pursuant to Government Code section 17514 for certain activities related to school district reorganizations initiated by voters, landowners or district governing boards.

The claimant, San Luis Obispo County Office of Education, filed the test claim on June 30, 1999. The Commission adopted the Statement of Decision on October 24, 2002, and the parameters and guidelines on July 31, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by February 3, 2004. The Commission uses these initial claims to develop the statewide cost estimate.

Discussion

Reimbursable Activities

The Commission approved this test claim for the following activities:

- A. Petition transmittal: pursuant to Education Code sections 35704 and 35707, subdivision (b), that require the county superintendent to transmit a reorganization petition to the county committee and State Board of Education (State Board). This requirement varies depending on the type of reorganization action because only the new activity, not required under the former codes, constitutes the higher level of service. The new activities are:
 1. for new district formation, transmittal to the county committee;
 2. for consolidation, i.e., formation of a new elementary, high school, community college or unified district by combining districts of the same kind, transmittal to both the State Board and a county committee;
 3. for formation of a consolidated high school district, transmittal to the State Board;
 4. for annexation, transmittal to the county committee and State Board;
 5. for transfers of component elementary districts to high school districts, or component high school districts to community college districts, transmittal to the county committee;
 6. for transfers of territory, transmittal to the State Board; and
 7. for dissolutions of districts, transmittal to both the county committee and State Board.

- B. Petition description: pursuant to Education Code section 35705.5, subdivision (b), that requires county committees and superintendents to make the petition description, as specified, available to the public and the school district governing boards affected by the petition.
- C. Committee report: pursuant to Education Code section 35707, subdivision (a), that requires a report by the county committee to include specified items.

Statewide Cost Estimate

Only county superintendents of schools or county offices of education participating in school district reorganizations initiated by voters or property owners (but not for those initiated by school district governing boards) are eligible to claim reimbursement. Costs incurred on or after July 1, 1997 for compliance with the mandate are reimbursable. At this time, no reimbursement claims have been filed for this program.

Under the existing mandates process, the amount of a statewide cost estimate is reported to the Legislature and introduced in a local government claims bill. Once the local government claims bill appropriates funds for the initial reimbursement period, the program's annual statewide estimated costs are placed in the State Budget. Since there are no claims on which to base this statewide cost estimate, the Commission adopted a statewide cost estimate of \$1,000 for this program. Adopting this statewide cost estimate will initiate the process for informing the Legislature of the costs of the program and identifying the program in the State Budget. However, if reimbursement claims were filed on this program, the amount appropriated in the State Budget to fund this program would be deficient.

Assumptions

The Commission made the following assumptions when adopted this statewide cost estimate:

- If this program were implemented, the actual amount claimed would exceed the statewide cost estimate because there would only be \$1,000 appropriated in the State Budget to fund the program.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

STATEWIDE COST ESTIMATE

California Department of Education Standards-Based Accountability Memoranda
Dated June 30, 1997 and April 15, 1996

Standards-Based Accountability (98-TC-10)

San Diego Unified School District, Claimant

Background and Summary of the Mandate

The California Department of Education (CDE) memoranda dated June 30, 1997, and April 15, 1998, require the State Board of Education and the Superintendent of Public Instruction to design, implement, and adopt statewide academically rigorous content standards in reading, writing, and mathematics to serve as the basis for assessing the academic achievement of individual pupils and of schools, school districts, and the California education system. On August 29, 2002, the Commission on State Mandates (Commission) adopted the Statement of Decision determining that the above-named CDE memoranda constitute new programs or higher levels of service for school districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514, by imposing reporting requirements on designated school districts to address the above CDE requirements.

The claimant, San Diego Unified School District, filed the test claim on December 10, 1998. The Commission adopted the Statement of Decision on August 29, 2002, and the parameters and guidelines on May 29, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by December 9, 2003. The Commission uses these initial claims to develop the statewide cost estimate.

Discussion

Reimbursable Activities

The Commission approved this test claim for the following activities:

For those districts scheduled for a 1997-1998 Coordinated Compliance Review, or otherwise specifically required by the state to engage in these reporting activities:

- Complete and submit to the state by November 1, 1997, the *District Assessment and Accountability System Description*, to explain the measures and methods used by the school district in assessing individual student achievement levels in reading/language arts and mathematics for the 1996-97 year.
- Complete and submit to the state by November 1, 1997, one form for each school in the district, the *1996-97 Student Achievement Summary School Report*, to report the percentage of all students in each school that meet or exceed the district-established grade-level standards in reading/language arts and mathematics, and separately for students served under each of the following specially-funded programs: Title I - Targeted Assistance, Migrant Education, Limited English Proficient, Special Education, and/or Gifted and Talented.

For those districts scheduled for a 1998-1999 Coordinated Compliance Review:

- Complete and submit to the state by November 1, 1998, *District Assessment and Accountability System Description*, to explain the measures and methods used by the school district in assessing individual student achievement levels in reading/language arts and mathematics for the 1997-98 year. One of the measures used shall be the STAR program.¹
- Complete and submit to the state by November 1, 1998, one form for each school in the district, *1997-98 Student Achievement Summary School Report*, to report the percentage of all students in each school that meet or exceed the district-established grade-level standards in reading/language arts and mathematics, and separately for students served under each of the following specially-funded programs: Title I - Targeted Assistance, Migrant Education, Limited English Proficient, Special Education, and/or Gifted and Talented.

Exception to reimbursement for some activities by Title I funded schools within districts otherwise eligible for reimbursement above:

For Title I funded schools completing the *Student Achievement Summary School Report* for Coordinated Compliance Review years 1997-1998 and/or 1998-1999, an exception to reimbursement exists under Government Code section 17556, subdivision (c). For Title I schools, reimbursement is allowed for disaggregating the results for Gifted and Talented Education students, and for reporting on assessments for more than one grade in each of the grade spans 3-5, 6-9, and 10-12, but not for any other activities.

Statewide Cost Estimate

Staff reviewed the claims data submitted by the claimants and compiled by the SCO. Staff made the following assumptions and used the following methodology to develop a statewide cost estimate of this program. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology, will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- The statewide cost estimate is based on 43 claims filed by 41 school districts.² The claiming data is unaudited and may be inaccurate. Summerville Elementary School District (enrollment of 474) filed reimbursement claims for \$12,199 in 1997-1998, and \$12,692 in 1998-1999. However, a school district of comparative size filed a reimbursement claim of approximately \$1,400.³ In fact, a school district with enrollment

¹ The STAR parameters and guidelines provide reimbursement for activities related to reporting STAR program results. STAR activities shall not be reimbursed under the *Standards-Based Accountability* program.

² Claims data reported by the SCO as of May 19, 2004.

³ Soulsbyville School district, with enrollment of 679, filed a reimbursement claim for \$1,447 for the 1998-1999 fiscal year.

20 times that of Summerville filed a smaller claim.⁴

- The actual amount claimed could significantly increase if late or amended claims are filed, and could exceed the statewide cost estimate. Late claims may be filed for this program until December 2004. According to the California Department of Education, between 250-300 school districts were required to participate in this program for fiscal years 1997-1998 and 1998-1999. To date, only 41 of the 500-600 school districts have filed reimbursement claims.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

- Staff reviewed the summary claims data provided by the SCO for fiscal years 1997-1998 and 1998-1999. Staff then reviewed the reimbursement claims to study claiming data and possible trends. No trends were identified for this program.
- The proposed statewide cost estimate was developed based on the 43 unaudited, actual reimbursement claims.
- For the reasons stated above, staff only included \$1,500 per fiscal year for Summerville Elementary School District.
- There is a \$1,000 minimum threshold for filing reimbursement claims. Beardsley Elementary School District filed a claim for \$956. Therefore, staff did not include this claims data in the statewide cost estimate.

The proposed statewide cost estimate includes two fiscal years for a total of \$578,224. This averages to \$289,112 annually in costs for the state.

Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed with SCO	Claim Totals
1997-1998	20	\$308,760
1998-1999	23	\$269,464
Total	43	\$578,224

⁴ Palos Verdes Peninsula Unified School District, with enrollment of 9,543, filed a reimbursement claim for \$10,417 for the 1997-1998 fiscal year.

STATEWIDE COST ESTIMATE

Statutes 1997, Chapter 855

Statutes 1998, Chapter 846

Attendance Accounting (98-TC-26)

Campbell Union High School District, Grant Joint Union High School District,
and San Luis Obispo County Office of Education, Claimants

Background and Summary of the Mandate

The test claim arose from enactments of or amendments to the Education Code that added new student attendance reporting requirements for school districts and county offices of education. On October 24, 2002, the Commission on State Mandates (Commission) adopted its Statement of Decision finding that Education Code sections 2550.3 and 42238.7 impose costs mandated by the state pursuant to Government Code section 17514, for the one-time activity for school districts and county offices of education to complete and return a "Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727" to the Superintendent of Public Instruction.

The claimant, Campbell Union High School District, filed the test claim on June 29, 1999. Subsequent amendments added Grant Joint Union High School District and San Luis Obispo County Office of Education as co-claimants. The Commission adopted the Statement of Decision on October 24, 2002, and the parameters and guidelines on July 31, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by February 3, 2004. The Commission uses these initial claims to develop the statewide cost estimate.

Discussion

Reimbursable Activities

The Commission approved this test claim for the actual one-time costs for fiscal year 1998-99 for the following activities:

A. School District Activities

Completion and return of the "Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727" to the Superintendent of Public Instruction. (Ed. Code, § 42238.7.)

B. County Office of Education Activities

Completion and return of the "Worksheet for Determining the Adjusted 1998-99 Base Revenue Limit in Accordance with SB 727" to the Superintendent of Public Instruction. (Ed. Code, § 2550.3.)

Statewide Cost Estimate

Staff reviewed the claims data submitted by the claimants and compiled by the SCO. Staff made the following assumptions and used the following methodology to develop a statewide cost

Attendance Accounting SCE (98-TC-26)

estimate of the program. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- The statewide cost estimate is based on 25 claims filed by 22 school districts and 3 county offices of education. The claiming data is accurate, although unaudited.¹
- The actual amount claimed could increase if late or amended claims are filed, and could exceed the statewide cost estimate. To date, only 25 out of over 1,000 school districts and county offices of education have filed reimbursement claims. Late claims may be filed for this program until February 2005.
- It is possible that late claims will not be filed for this program. According to a school district representative, no additional claims may be filed because:
 1. The claimants probably no longer have the documentation to support reimbursement claims for fiscal year 1998-1999.
 2. The cost to perform the reimbursable activity for many claimants may not have met the required \$1,000 claim minimum.
 3. This is only a one-year program. School districts, particularly larger districts, may elect not to expend staff time to file for reimbursement for a one-year program.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

- Staff reviewed the summary claims data provided by the SCO. Staff then reviewed the reimbursement claims to study claiming data and possible trends. No trends were identified for this program.
- The proposed statewide cost estimate is based on the 25 unaudited, actual reimbursement claims.

Following is a breakdown of estimated total cost:

Fiscal Year	Number of Claims Filed by School Districts	Amount of Claims Filed by School Districts	Number of Claims Filed by County Offices of Education	Amount of Claims Filed by County Offices of Education	Claim Totals
1998-1999	22	\$43,913	3	\$5,173	\$49,086

¹ Claims data reported by the SCO as of May 19, 2004.

ITEM 9
FINAL STAFF ANALYSIS
PROPOSED STATEWIDE COST ESTIMATE

Education Code Sections 47605, Subdivisions (j)(1) and (k)(3), 47605.5, 47607, and 47614

Statutes 1998, Chapters 34 and 673

Charter Schools II (99-TC-03)

Los Angeles County Office of Education
and San Diego Unified School District, Claimants

EXECUTIVE SUMMARY

Summary of the Mandate

The Commission on State Mandates (Commission) has adopted two decisions related to the *Charter Schools* program. On July 21, 1994, the Commission adopted its Statement of Decision finding that Education Code sections 47605 and 47607, as added by Statutes 1992, chapter 781, require new activities related to initial charter school petitions and for monitoring and evaluating the performance of charter schools pertaining to the revision or renewal of approved charters. On November 21, 2002, the Commission adopted its Statement of Decision on *Charter Schools II*, finding that Education Code sections 47605, subdivisions (j)(1) and (k)(3), 47605.5, 47607, and 47614, as added or amended by Statutes 1998, chapters 34 and 673, require new activities that replaces the previously approved mandate in *Charter Schools* for a review process for denied charter petitions.

The claimant filed the *Charter Schools II* test claim on June 29, 1999. The Commission adopted the Statement of Decision on November 21, 2002, and consolidated the new parameters and guidelines for the *Charter Schools II* program with the original test claim on December 2, 2003. The period of reimbursement section of the consolidated parameters and guidelines states that costs for *Charter Schools* already claimed for fiscal years 1998-1999 through 2002-2003 are not reimbursable. Eligible claimants were required to file initial reimbursement claims for *Charter Schools II* with the State Controller's Office (SCO) by June 1, 2004.

Staff reviewed seven actual claims filed by school districts and/or county offices of education for fiscal years 1999-2000 through 2002-2003. Staff assumes that there will not be a significant number of late claims filed because the cost to perform the reimbursable activities for *Charter Schools II* are minimal when compared to the costs already claimed for the original *Charter Schools* mandate, and are less than the \$1,000 minimum for filing an annual reimbursement claim.

The proposed statewide cost estimate includes six fiscal years for a total of **\$206,595**. This averages to \$34,433 annually in costs for the state. The following table details the breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed	Claim Totals
1999-2000	1	\$ 2,042
2000-2001	1	9,419
2001-2002	2	13,844
2002-2003	3	58,943
2003-2004 (est.)	N/A	60,299
2004-2005 (est.)	N/A	62,048
TOTAL	7	\$ 206,595

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$206,595 for costs incurred in complying with the *Charter Schools II* program. If the statewide cost estimate is adopted, staff will report the estimate to the Legislature.

STAFF ANALYSIS

Summary of the Mandate

The Commission on State Mandates (Commission) has adopted two decisions related to the *Charter Schools* program. On July 21, 1994, the Commission adopted its Statement of Decision finding that Education Code sections 47605 and 47607, as added by Statutes 1992, chapter 781, require new activities related to initial charter school petitions and for monitoring and evaluating the performance of charter schools pertaining to the revision or renewal of approved charters. On November 21, 2002, the Commission adopted its Statement of Decision on *Charter Schools II*, finding that Education Code sections 47605, subdivisions (j)(1) and (k)(3), 47605.5, 47607, and 47614, as added or amended by Statutes 1998, chapters 34 and 673, require new activities that replaces the previously approved mandate in *Charter Schools* for a review process for denied charter petitions.

The claimant filed the *Charter Schools II* test claim on June 29, 1999. The Commission adopted the Statement of Decision on November 21, 2002, and consolidated the new parameters and guidelines for the *Charter Schools II* program with the original test claim on December 2, 2003. The period of reimbursement section of the consolidated parameters and guidelines states that costs for *Charter Schools* already claimed for fiscal years 1998-1999 through 2002-2003 are not reimbursable. Eligible claimants were required to file initial reimbursement claims for *Charter Schools II* with the State Controller's Office (SCO) by June 1, 2004.

Discussion

Reimbursable Activities

Charter Schools

Effective January 1, 1999, many activities from the original *Charter Schools* parameters and guidelines were amended by Statutes 1998, chapters 34 and 673, and are reflected in the *Charter Schools II* activities.

Charter Schools II

A. School Districts

1. Review charter school petitions for renewal that are submitted directly to the governing board of the school district that initially denied the charter.¹ Pursuant to Education Code section 47605, subdivision (k)(3), the petition must be submitted prior to expiration of the charter granted by the State Board of Education. (Ed. Code, § 47605, subd. (k)(3).)
2. Notify the charter public school of any violation of Education Code section 47607, subdivision (b), prior to revocation of a charter. Pursuant to Education Code section 47607, subdivision (c), the school shall be given a reasonable opportunity to cure the violation, unless the authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. (Ed. Code, § 47607, subd. (c).)

¹ Each renewal is for a period of five years.

B. County Offices of Education

1. Review charter school petitions submitted directly to the county board of education, pursuant to Education Code section 47605, subdivision (b):
 - a. When the governing board of a school district denies a charter school petition and the charter school petitioner submits the petition to the county board of education. (Ed. Code, § 47605, subd. (j)(1).)²
 - b. For charter schools that will serve pupils for whom the county office of education would otherwise be responsible for providing direct education and related services. (Ed. Code, § 47605.5.)
2. Notify the charter public school of any violation of Education Code section 47607, subdivision (b), prior to revocation of a charter. Pursuant to Education Code section 47607, subdivision (c), the school shall be given a reasonable opportunity to cure the violation, unless the authority determines, in writing, that the violation constitutes a severe and imminent threat to the health or safety of the pupils. (Ed. Code, § 47607, subd. (c).)

Statewide Cost Estimate

Staff reviewed seven actual claims filed by school districts and/or county offices of education for fiscal years 1999-2000 through 2002-2003.³ Staff made the following assumptions and used the following methodology to develop a statewide cost estimate for this program. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology, will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- The claiming data is unaudited.
- The actual amount claimed will increase when late or amended claims are filed, and could exceed the statewide cost estimate. For this program, late claims may be filed until June 2005.
- Significant numbers of late claims will not be filed because the cost to perform the reimbursable activities for *Charter Schools II* are minimal when compared to the costs already claimed for the original *Charter Schools* mandate and are less than the \$1,000 minimum for filing an annual reimbursement claim.
- The statewide cost estimate of this program will increase if the number of charter schools increase, the number of charter school petitions filed in fiscal year 2004-2005 increases and/or the number of eligible claimants increases.

² As amended by Statutes 1998, chapter 673. As amended by Statutes 1998, chapter 673. This replaces the previously approved activity in the original *Charter Schools* parameters and guidelines related to "Petition Appeals." (Ed. Code, § 47605, subd. (j)), as added by Stats. 1992, ch. 781; replaced by Stats. 1998, ch. 673.)

³ Claims data reported by the SCO as of July 9, 2004.

- The costs of this program will decrease if the number of charter schools declines and/or the number of eligible claimants declines.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

1999-2003 Costs

The proposed statewide cost estimate for fiscal years 1999-2000 through 2002-2003 is based on seven unaudited, actual reimbursement claims.

2003-2005 Projected Costs

Staff projected totals for fiscal year 2003-2004 by multiplying the total on 2002-2003 reimbursement claims by the implicit price deflator for 2002-2003 (2.3 %), as forecast by the Department of Finance. Staff projected totals for fiscal year 2004-2005 by multiplying the 2003-2004 projection by the implicit price deflator for 2003-2004 (2.9 %).

The proposed statewide cost estimate includes six fiscal years for a total of **\$206,595**. This averages to \$34,433 annually in costs for the state.

Following is a breakdown of estimated total costs per fiscal year:

Table 1. Estimated Total Costs per Fiscal Year

Fiscal Year	Number of Claims Filed	Claim Totals
1999-2000	1	\$ 2,042
2000-2001	1	9,419
2001-2002	2	13,844
2002-2003	3	58,943
2003-2004 (est.)	N/A	60,299
2004-2005 (est.)	N/A	62,048
TOTAL	7	\$ 206,595

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$206,595 for costs incurred in complying with the *Charter Schools II* program.

ITEM 10

PROPOSED STATEWIDE COST ESTIMATE STAFF ANALYSIS

Statutes 1990, Chapter 423

Statutes 1995, Chapter 758

Education Code Section 67385

Sexual Assault Response Procedures (99-TC-12)

Los Angeles Community College District, Claimant

EXECUTIVE SUMMARY

The test claim legislation requires the governing board of each community college district to adopt and implement a written procedure or protocols at each of their campuses or facilities to ensure that students, faculty and staff who are victims of sexual assault receive treatment and information. The statute specifies the minimum content of the written procedure or protocols.

The claimant filed the test claim on June 21, 2000. The Commission adopted the Statement of Decision on October 24, 2002, and the parameters and guidelines on December 2, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by June 7, 2004.

At this time, no reimbursement claims have been filed for this program. Under the existing mandates process, the amount of a statewide cost estimate is reported to the Legislature and introduced in a local government claims bill. Once the local government claims bill appropriates funds for the initial reimbursement period, the program's annual statewide estimated costs are placed in the State Budget. Since there are no claims on which to base this statewide cost estimate, staff recommends that the Commission adopt a statewide cost estimate of \$0 for this program. Adopting an estimate of "0" will initiate the process for informing the Legislature that there are no costs for this program. However, if reimbursement claims are filed on this program by June 6, 2005, a deficiency will be reported to the Legislature by the SCO.

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$0 for costs incurred in complying with the *Sexual Assault Response Procedures* program. If the statewide cost estimate is adopted, staff will report the estimate to the Legislature.

STAFF ANALYSIS

Background and Summary of the Mandate

The test claim legislation requires the governing board of each community college district to adopt and implement a written procedure or protocols at each of their campuses or facilities to ensure that students, faculty and staff who are victims of sexual assault receive treatment and information. The statute specifies the minimum content of the written procedure or protocols.

The claimant, Los Angeles Community College District, filed the test claim on June 21, 2000. The Commission adopted the Statement of Decision on October 24, 2002, and the parameters and guidelines on December 2, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by June 7, 2004. The Commission uses these initial claims to develop the statewide cost estimate.

Discussion

Reimbursable Activities

The Commission approved this test claim for the following activities:

A. Policies and Procedures (One-Time Activity per Campus or Facility)

The governing board of each community college district shall adopt and implement at each campus or facility written procedure or protocols to ensure to the fullest extent possible that students, faculty or staff who are victims of sexual assault committed on the grounds or facilities of each institution, or on off-campus grounds or facilities maintained by the institutions, or on grounds or facilities maintained by affiliated student organizations shall receive treatment and information. If appropriate on-campus treatment facilities are unavailable, the written procedure or protocols may provide for referrals to local community treatment centers. The written procedure or protocols shall contain at least the following information:

- (1) the college policy on sexual assault on campus;
- (2) personnel on campus to notify, and procedures for notification, with the victim's consent;
- (3) legal reporting requirements and procedures for fulfilling them;
- (4) services available to the victim and personnel to provide response services, such as transporting a victim to the hospital, referring victims to a counseling, and notifying the police, with the victim's concurrence;
- (5) a description of both on campus and off campus resources available to the victim;
- (6) procedures for ongoing case management, including keeping the victim informed of the status of student disciplinary proceedings in connection with the assault, the results of any disciplinary action or appeal, and helping the victim deal with academic difficulties stemming from the sexual assault;
- (7) procedures guaranteeing confidentiality and for handling requests for information from the press, concerned students, and parents;
- (8) procedures for informing rape and other assault victims of the possibility of criminal prosecution, civil actions, the disciplinary process through the college, the availability of mediation, alternative housing assignments, and academic assistance.

The claimant is only allowed to claim and be reimbursed for the increased cost of providing the information described in the reimbursable activity identified above. If other information is included in the written procedure or protocols, it is at the claimant's discretion and is not reimbursable. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

B. Update the written information contained in the procedure or protocols annually, if needed.

C. Training

Training to inform employees of the original and any subsequent updates to the written procedure or protocols (see B. above).

Statewide Cost Estimate

At this time, no reimbursement claims have been filed for this program. Under the existing mandates process, the amount of a statewide cost estimate is reported to the Legislature and introduced in a local government claims bill. Once the local government claims bill appropriates funds for the initial reimbursement period, the program's annual statewide estimated costs are placed in the State Budget. Since there are no claims on which to base this statewide cost estimate, staff recommends that the Commission adopt a statewide cost estimate of \$0 for this program. Adopting an estimate of "0" will initiate the process for informing the Legislature that there are no costs for this program. However, if reimbursement claims are filed on this program by June 6, 2005, a deficiency will be reported to the Legislature by the SCO.

Assumptions

Staff made the following assumptions:

- Since the reimbursable activities are limited to the development and implementation of policies and procedures, which does not include the activities to carry out those policies and procedures, it is anticipated that most claimants will not meet the \$1,000 per year minimum filing threshold. Therefore it is unlikely that any claims will be filed on this program.
- If claims were filed on this program, the actual amount claimed would exceed the statewide cost estimate because there would be no funds appropriated in the State Budget to fund this program.

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$0 for costs incurred in complying with the *Sexual Assault Response Procedures* program.

ITEM 11

PROPOSED STATEWIDE COST ESTIMATE STAFF ANALYSIS

Education Code Sections 44830.1, 44830.2, 45125, 45125.01, and 45125.2

Statutes 1998, Chapters 594 and 840

Statutes 1999, Chapter 78

California Code of Regulations, Title 11, Sections 700-708

Criminal Background Checks II (00-TC-05)

Napa County Office of Education, Claimant

EXECUTIVE SUMMARY

The Commission on State Mandates (Commission) adopted the Statement of Decision for *Criminal Background Checks I* on March 25, 1999, the parameters and guidelines on October 28, 1999, and the statewide cost estimate on May 25, 2000.

In 1998 and 1999, the Legislature enacted legislation which added or amended Education Code sections relating to the following: criminal background checks of district employees, monitoring or separation of employees of construction contractors who work on school grounds, sending fingerprints to the Federal Bureau of Investigation (FBI), requesting from Department of Justice (DOJ) reports of subsequent arrest for employees, and storage and destruction of criminal record summaries. In December 2000, the claimant submitted a test claim alleging a reimbursable state mandate for school districts for these specific new activities and costs.

The Commission adopted the Statement of Decision for *Criminal Background Checks II* on February 27, 2003, and the parameters and guidelines on December 2, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by June 7, 2004.

The SCO provided unaudited claims totals to the Commission on July 9, 2004. Staff reviewed this data and actual reimbursement claims to develop the proposed statewide cost estimate. The proposed statewide cost estimate includes six fiscal years for a total of \$262,599. This averages to \$43,767 annually in costs for the state.

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate for costs incurred in complying with the *Criminal Background Checks II* program. If the statewide cost estimate is adopted, staff will report the estimate to the Legislature.

STAFF ANALYSIS

Background and Summary of the Mandate

In 1997, the Legislature enacted the Michelle Montoya School Safety Act that requires school districts to obtain criminal background checks on specified types of school district employees. School districts must also obtain criminal background checks of employees of entities that contract with the districts. The act also prohibits districts from employing or retaining temporary, substitute or probationary employees who have been convicted of a serious or violent felony.

On March 25, 1999, the Commission adopted its Statement of Decision finding that the *Criminal Background Checks I* test claim imposes a reimbursable state-mandated program on school districts under article XIII B, section 6 of the California Constitution and Government Code section 17514. The parameters and guidelines were adopted on October 28, 1999. The statewide cost estimate was adopted on May 25, 2000.

In 1998 and 1999, the Legislature enacted legislation which added or amended Education Code sections relating to the following: criminal background checks of district employees, monitoring or separation of employees of construction contractors who work on school grounds, sending fingerprints to the Federal Bureau of Investigation (FBI), requesting from Department of Justice (DOJ) reports of subsequent arrest for employees, and storage and destruction of criminal record summaries. In December 2000, claimant, Napa County Office of Education, submitted a test claim alleging a reimbursable state mandate for school districts for these specific new activities and costs.

On February 27, 2003, the Commission adopted its Statement of Decision for the *Criminal Background Checks II* test claim, finding that Education Code sections 44830.1, 45125, 45125.01, and 45125.2 constitute new programs or higher levels of service for school districts within the meaning of article XIII B, section 6, of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514 for the following activities:

- communication with DOJ and related activities;
- storage of DOJ documents;
- destroying DOJ information;
- requesting the DOJ to forward copies of non-certificated employees' fingerprint cards to the FBI;
- maintaining a list of the current number of employees who have not completed the requirements of Education Code section 45125, with the noted pupil exception;
- requesting subsequent arrest service from the DOJ for certificated and non-certificated positions; and
- taking precautions in dealing with contractors.

The Commission adopted the parameters and guidelines on December 2, 2003. Eligible claimants were required to file initial reimbursement claims with the State Controller's Office (SCO) by June 7, 2004. The Commission uses these initial claims to develop the statewide cost estimate.

Discussion

Reimbursable Activities

The Commission approved this test claim for the following new activities:

A. Communication with the Department of Justice

(Stats. 1998, ch. 840; Ed. Code, §§ 44830.1, subd. (i) & 45125, subd. (j).)

1. Complete DOJ "Contract for Subsequent Arrest Notification Service" to receive notification of subsequent arrests.
2. Notify the DOJ when the employment of the applicant is terminated, when the applicant's certificate is revoked, or when the applicant may no longer renew or reinstate the certificate.
3. Return the subsequent arrest notification to the DOJ and inform the DOJ that the District is no longer interested in the applicant for a person unknown to the District, or for a person no longer employed by the District, or no longer eligible to renew the certificate or license for which subsequent arrest notification service was established.
4. Notify the DOJ if the applicant is denied licensing or certification.

B. Storage of Department of Justice Documents

(Stats. 1998, ch. 840, and Stats. 1999, ch. 78; Ed. Code, §§ 44830.1, subd. (n)(2), 44830.2, subd. (f)(2), 45125.01 subd. (f)(2), & 45125, subd. (k)(2).)

1. Store criminal history records and reports of subsequent arrests received from the DOJ on volunteers and current and prospective employees in a locked file separate from other files and accessible to only the custodian of records. This activity includes the costs associated with obtaining separate storage for these records. The storage method and how long the records are kept must be in accordance with how school district records of a similar nature are stored in the normal course of business.

C. Destruction of Department of Justice Information

(Stats. 1998, ch. 840, Ed. Code, §§ 44830.1, subd. (n)(3), & 45125, subd. (k)(3).)

1. Destroy information received from the DOJ upon a hiring determination in accordance with California Code of Regulations, title 11, section 708, subdivision (a), which requires that destruction of criminal offender record information be carried out so that the identity of the subject can no longer be reasonably ascertained; or
2. Provide a witness from the school district to observe the destruction of the information when records are destroyed outside the district.

D. Fingerprint Card Requests to the Federal Bureau of Investigation

(Stats. 1998, ch. 840; Ed. Code, § 45125, subd. (b)(3).)

1. Indicate (check appropriate box) to request the DOJ to forward copies of non-certificated employees' fingerprint cards to the Federal Bureau of Investigation (FBI).

E. Maintaining a List of the Number of Current Employees

(Stats. 1998, ch. 840; Ed. Code, § 45125, subd. (d).)

1. Maintain a list indicating the current number of employees who have not completed the requirements of Education Code section 45125 (except for pupils employed in a temporary or part-time position at the school they attend).

F. Subsequent Arrest Service Requests

(Stats. 1998, ch. 840; Ed. Code, §§ 44830.1, subd. (i), & 45125, subd. (j).)

1. Request subsequent arrest service from the DOJ for certificated and non-certificated positions, as necessary.

G. Precautions Dealing with Construction Contractors

(Stats. 1998, ch. 840; Ed. Code, § 45125.2, subd. (a).)

The activities listed in section IV. G. are not reimbursable to "an entity providing construction, reconstruction, rehabilitation, or repair services to a school district in an emergency or exceptional situation, such as when pupil health or safety is endangered or when repairs are needed to make school facilities safe and habitable." (Ed. Code, § 45125.2, subd. (d).)

1. When contracting for construction, reconstruction, rehabilitation, or facility repair, determine whether the contractor will have "limited contact"¹ with pupils.
2. If the contractor's employees will have more than limited contact:
 - a. install a physical barrier at construction worksites at school facilities; or
 - b. develop contract language that requires the contractor to install a physical barrier at construction worksites at school facilities or to continually supervise and monitor contractor employees (any individual serving as a construction employee monitor or providing employee surveillance must not have been convicted of a violent or serious felony).

Statewide Cost Estimate

Staff reviewed 23 actual claims filed by 6 school districts for fiscal years 1999-2000 through 2002-2003.² Staff made the following assumptions and used the following methodology to develop a statewide cost estimate of this program. If the Commission adopts this statewide cost estimate, the estimate, including staff's assumptions and methodology, will be reported to the Legislature.

Assumptions

Staff made the following assumptions:

- The claims data is unaudited.

¹ Districts must consider the length of time the contractors will be on school grounds, whether pupils will be in proximity with the site where the contractors will be working, and whether the contractors will be working by themselves or with others. See Education Code section 45125.1, subdivision (c).

² Claims data reported by the SCO as of July 9, 2004.

- The actual amount claimed will increase when late or amended claims are filed, and could exceed the statewide cost estimate. Late claims may be filed for this program until June 7, 2005:
- Significant numbers of late claims will not be filed because the cost to perform the reimbursable activities for *Criminal Background Checks II* are minimal when compared to the costs already claimed for the original *Criminal Background Checks I* mandate and are less than the \$1,000 minimum for filing an annual reimbursement claim.
- Any reimbursement claim for this program may be reduced by the SCO if it is audited and deemed to be excessive or unreasonable. Therefore, the total amount of reimbursement for this program may be lower than the statewide cost estimate.

Methodology

1999-2000 through 2002-2003 Projected Costs

- Staff reviewed the summary claims data provided by the SCO for fiscal years 1999-2000 through 2002-2003. Staff then reviewed the reimbursement claims to study claiming data and possible trends. No trends were identified for this program.
- The proposed statewide cost estimate was developed based on the 23 unaudited, actual reimbursement claims.

2003-2004 through 2004-2005 Projected Costs

- Staff projected totals for FY 2003-2004 by multiplying the FY 2002-2003 claim total filed by claimants with the SCO by the implicit price deflator for 2002-2003 (2.3%), as forecast by the Department of Finance. Staff projected totals for FY 2004-2005 by multiplying the FY 2002-2003 claims total by the implicit price deflator for 2003-2004 (2.9%).

The proposed statewide cost estimate includes six fiscal years for a total of \$262,599. This averages to \$43,767 annually in costs for the state. Following is a breakdown of estimated total costs per fiscal year:

Fiscal Year	Number of Claims Filed	Amount of Claims Filed
1999-2000	6	\$37,114
2000-2001	5	\$39,338
2001-2002	6	\$44,589
2002-2003	6	\$46,382
2003-2004 (estimated)	N/A	\$47,449
2004-2005 (estimated)	N/A	\$47,727
Total	23	\$262,599

Staff Recommendation

Staff recommends that the Commission adopt the proposed statewide cost estimate of \$262,599 for costs incurred in complying with the *Criminal Background Checks II* program.

APPENDIX B

Letter from Department of Finance
To State Controller's Office,
Denying Request for Appropriation
Transfer and Deficiency Appropriation

1. The first part of the paper is devoted to the study of the properties of the function $f(x)$ which is defined by the equation $f(x) = \int_0^x f(t) dt$. It is shown that $f(x)$ is a continuous function and that it satisfies the differential equation $f'(x) = f(x)$. The solution of this equation is $f(x) = Ce^{x^2}$, where C is a constant. The value of C is determined by the initial condition $f(0) = 1$, which gives $C = 1$. Therefore, the function $f(x)$ is $f(x) = e^{x^2}$.



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

ARNOLD SCHWARZENEGGER, GOVERNOR

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

RECEIVED

MAY 20 2004

COMMISSION ON
STATE MANDATES

May 19, 2004

Honorable Wesley Chesbro, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Darrell Steinberg, Chair
Assembly Budget Committee

Honorable Dede Alpert, Chair
Senate Appropriations Committee

Honorable Judy Chu, Chair
Assembly Appropriations Committee

**Transmittal of Department of Finance Position on Deficiency Authorization Requested
by State Controller's Office**

Pursuant to the provisions of Section 27.00 of the Budget Act of 2003, we are submitting the following information. We have reviewed the attached request submitted by the State Controller's Office (SCO) for the purpose of augmenting appropriations scheduled in previous Budget Acts and previously-enacted local government mandate claims bills, which the SCO indicates are not sufficient to pay claims received.

The SCO estimates a total deficiency of approximately \$1.7 billion (\$682.2 million for school districts, \$49.1 million for community colleges, and \$1.0 billion for local agencies). In addition, the SCO letter indicates that there is \$34,313 in unexpended appropriation balances (\$23,313 for school districts and \$11,000 for local agencies) related to various mandated programs from previous budget acts and local claims bills. The SCO requests that the unencumbered balances of these programs be transferred to those that are deficient to offset the overall deficiency, resulting in a net deficiency of \$1.73 billion. Government Code Section 17613 provides the authority for the shifting of funding among these appropriations.

In light of the current fiscal situation, and consistent with the Administration's proposal to defer, suspend, or repeal all mandates in 2004-05, we do not concur with the deficiency request and will send a letter notifying the SCO of our denial of that portion of their request. Deficiency funding for these programs, including any accrued interest, will be considered at a later time. Similarly, with regard to the request to transfer unencumbered appropriation balances to deficient mandate appropriations, we do not concur and will so notify the SCO.

Please call Keith Gmelinder, Principal Program Budget Analyst, at 445-8913 if you have any questions.

DONNA ARDUIN

Director

By Original Signed by:

Michael C. Genest

MICHAEL C. GENEST

Chief Deputy Director

Attachment

cc: Honorable Richard Ackerman, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Rick Keene, Vice Chair, Assembly Budget Committee
Honorable Joseph Dunn, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable John Dutra, Chair, Assembly Budget Subcommittee No. 4
Ms. Elizabeth Hill, Legislative Analyst (3)
Mr. Danny Alvarez, Staff Director, Senate Budget and Fiscal Review Committee
Ms. Anne Maitland, Staff Director, Senate Appropriations Committee
Mr. Jeff Bell, Fiscal Director, Senate Republican Fiscal Office
Ms. Diane Cummins, Senate President pro Tempore's Office
Mr. Christopher W. Woods, Chief Consultant, Assembly Budget Committee
Mr. Geoff Long, Chief Consultant, Assembly Appropriations Committee
Mr. Peter Schaafsma, Staff Director, Assembly Republican Fiscal Committee
Ms. Julie Sauls, Chief of Staff, Assembly Republican Leader's Office
Mr. Craig Cornett, Assembly Speaker's Office (2)
Ms. Paula Higashi, Executive Officer, Commission on State Mandates
Mr. John Korach, Chief, Division of Accounting and Reporting, State Controller's Office
Mr. Vincent Brown, Chief Operating Officer, State Controller's Office



STEVE WESTLY
California State Controller

May 3, 2004

Mr. Stephen W. Kessler
Deputy Director, Operations
Department of Finance
State Capital, Room 1145
Sacramento, CA 95814

RE: STATE MANDATED COST PROGRAM APPROPRIATION TRANSFER AND
DEFICIENCY REQUESTS

Dear Mr. Kessler;

In accordance with Government Code Section 17567, you are notified that amounts appropriated for reimbursement pursuant to section 17561 were insufficient to fully pay the claims filed with this office in regard to the state mandated cost program. The following is a proposal to transfer funds from various appropriations with unencumbered funds to those that are deficient and to request additional funds in the amount of \$1,731,492,609 (\$1,000,204,578 for local agencies, \$682,152,348 for school districts and \$49,135,683 for community colleges) because of an overall appropriation deficiency (see attached schedule "Appropriation Transfer and Deficiency Requests"). Both the transfer and deficiency requests are necessary for this office to fully reimburse all claims filed by claimants.

The mandate program funding deficiencies are the result of deferred funding for new claims received during the 2002-03, 2003-04 fiscal years and prior years insufficient appropriations. These new claims include 2001-02 late claims, 2002-03 actual cost claims and 2003-04 estimated claims that are in excess of available appropriation balances.

Additionally, payment of accrued interest is required pursuant to Government Code section 17561.5 when payment is made more than 60 days after the claim filing deadline. Deferred funding for mandate programs including requests for additional funding for prior year deficient appropriations resulted in estimated accrued interest of \$88,961,679 (\$36,899,123 for local agencies, \$50,057,021 for school districts, and \$2,005,535 for community colleges), for the period July 1, 1996, through April 30, 2004. We recommend that an estimated amount of accrued interest be added to this deficiency

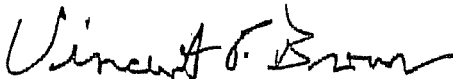
request covering the period from May 1, 2004, to the effective date of the funding legislation.

The following shows a summary of deficient appropriations by funding source:

Budget Item or Other	Appropriation Balances	Appropriation Deficiencies	Net Request	See Page of Attached Spreadsheet for Detail
Local Agency Mandated Cost Programs				
2003-04 Budget Act (Ch. 157/03)	\$ 6,000	\$ (218,879,034)	\$ (218,873,034)	1
2002-03 Budget Act (Ch. 379/02)	3,000	(279,722,788)	(279,719,788)	2
2001-02 Budget Act (Ch. 106/01)	2,000	(117,332,784)	(117,330,784)	3
2000-01 and Prior Year Budget Acts	0	(131,564,285)	(131,564,285)	4
2001 Local Government Claims Bill (Ch. 723/01)	0	(215,367,502)	(215,367,502)	4
2000 Local Government Claims Bill (Ch. 177/00)	0	(161,850)	(161,850)	4
1999 Local Government Claims Bill (Ch. 574/99)	0	(98,059)	(98,059)	4
1998 and Prior Local Government Claims Bill (Ch. 780/98)	0	(190,153)	(190,153)	4
Accrued Interest for Local Governments	0	(36,899,123)	(36,899,123)	5
Subtotal	\$ 11,000	\$ (1,000,215,578)	\$ (1,000,204,578)	5
School Mandated Cost Programs				
2003-04 Budget Act (Ch. 157/03)	\$ 2,000	\$ (131,023,863)	\$ (131,021,863)	5
2002-03 Budget Act (Ch. 379/02)	1,000	(176,799,401)	(176,798,401)	6
2001-02 Budget Act (Ch. 106/01)	20,313	(91,583,018)	(91,562,705)	7
2000-01 and Prior Budget Acts	0	(193,422,721)	(193,422,721)	8
2001-02 Education Claims Bill (Ch. 743/01)	0	(39,161,577)	(39,161,577)	8
2001-02 Extra Session (Ch. 1XXX/02)	0	0	0	8
2001-02 Budget Act (Ch. 106/01) Prop 98 Reappropriation	0	0	0	8
2000 Local Government Claims Bill (Ch. 177/00)	0	(128,060)	(128,060)	8
2000-01 Budget Act (Ch. 52/00) Prop 98 Reappropriation	0	0	0	8
2000 Education Trailer Bill (Ch. 71/00)	0	0	0	8
Accrued Interest for Schools	0	(50,057,021)	(50,057,021)	8
Subtotal	\$ 23,313	\$ (682,175,661)	\$ (682,152,348)	8
Community College Mandated Cost Programs				
2003-04 Budget Act (Ch. 157-03)	0	\$ (9,433,821)	(9,433,821)	9
2002-03 Budget Act (Ch. 379/02)	0	(15,229,178)	(15,229,178)	9
2001-02 Budget Act (Ch. 734/01)	0	(5,446,183)	(5,446,183)	9
2000-01 and Prior Budget Acts	0	(17,020,966)	(17,020,966)	9
Accrued Interest for Community Colleges	0	(2,005,535)	(2,005,535)	9
Subtotal	0	(49,135,683)	(49,135,683)	9
Total	\$ 34,313	\$ (1,731,526,922)	\$ (1,731,492,609)	9

It is my understanding that, upon notification from your office, the transfer of unencumbered funds can occur immediately. Please acknowledge your instructions below if you so approve. If there are any questions, please contact John Korach, Chief of the Division of Accounting and Reporting, at (916) 327-4144.

Sincerely,



VINCENT P. BROWN
Chief Operating Officer

VPB:JAK:glb.

Attachment

cc: Richard Chivaro, State Controller's Office
Marianne O'Malley, Office of Legislative Analyst
Paula Higashi, Commission on State Mandates

Upon receipt of this report, the Controller's Office is instructed to immediately transfer the funds indicated in this letter.

Department of Finance Authorization

Date

APPENDIX C

Letter From State Controller's Office
To Department of Finance,
Dated May 3, 2004, and
Schedule of Appropriation Transfer
and Deficiency

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MAY 04 2004



COMMISSION ON
STATE MANDATES

STEVE WESTLY
California State Controller

May 3, 2004

Mr. Stephen W. Kessler
Deputy Director, Operations
Department of Finance
State Capital, Room 1145
Sacramento, CA 95814

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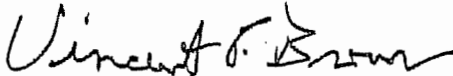
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Sincerely,



VINCENT P. BROWN
Chief Operating Officer

VPB:JAK:glb

Attachment

cc: Richard Chivaro, State Controller's Office
Marianne O'Malley, Office of Legislative Analyst
Paula Higashi, Commission on State Mandates

Upon receipt of this report, the Controller's Office is instructed to immediately transfer the funds indicated in this letter.

Department of Finance Authorization

Date

APPENDIX D

Test Claims Pending Before The Commission on State Mandates

Item, Section, or Other

State Controller's Office
Division of Accounting and Reporting - State Mandated Cost Programs
Schedule of Appropriation Transfer and Deficiency Report

Program Name Initial Budget Beginning Fund Expenditures Appropriation Unpaid Unpaid Appropriation Appropriation Net Request
Appropriation Balance July 1, 2003 31, 2004 Quantity In Dollars (Confidential) Balances Deficiencies

at Avenues

003-04 Budget Act (Ch. 157.03)

Item 1800-295-0001 Personal Board

Item 2240-295-0001 Department of Housing and Community Development

Item 2660-295-0002 Department of Transportation

Item 3830-295-0001 Department of Pesticide Regulation

Item 4200-295-0001 Department of Health Services

Item 4200-295-0001 Department of Health Services

Item 4200-295-0001 Department of Health Services

Item 4200-295-0001 Department of Health Services

Item 4200-295-0001 Department of Health Services

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Item 4200-295-0001 Department of Health Services

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Item, Section, or Other

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State Controller's Office

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**State Controller, Detailed Cost Programs, Division of Accounting and Reporting - b
Schedule of Appropriation Transfer and Deficiency Report**

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Item, Section, or Other

State Controller's
Division of Accounting and Reporting - State
Schedule of Appropriation Transfer and Liability Report

Item, Section, or Other	Program Name	Initial Budget Appropriation	Beginning Fund Balance July 1, 2003	Expenditures	Appropriation March 31, 2004	Unpaid Claims Quantity	Unpaid Claims In Dollars	Appropriation Balance and (or) Deficiency	Appropriation Balance	Appropriation Deficiency	Net Request
am 6100-285-0001 Department of Education	Ch. 121381	1,000	1,000	0	1,000	0	0	1,000	1,000	0	1,000
am 6100-285-0001 Department of Education	Ch. 68987	1,000	1,000	0	1,000	427	3,293,846	(3,292,846)	0	(3,292,846)	(3,292,846)
am 6100-285-0001 Department of Education	Ch. 16894	1,000	1,000	0	1,000	710	14,161,216	(14,160,216)	0	(14,160,216)	(14,160,216)
am 6100-285-0001 Department of Education	Ch. 126376	1,000	1,000	0	1,000	8	17,104	(16,104)	0	(16,104)	(16,104)
am 6100-285-0001 Department of Education	Ch. 118475	1,000	1,000	0	1,000	423	7,139,642	(7,137,642)	0	(7,137,642)	(7,137,642)
am 6100-285-0001 Department of Education	Ch. 117877	0	0	0	0	658	40,080	(40,080)	0	(40,080)	(40,080)
am 6100-285-0001 Department of Education	Ch. 48933	1,000	1,000	0	1,000	346	16,538,492	(16,536,492)	0	(16,536,492)	(16,536,492)
am 6100-285-0001 Department of Education	Ch. 117268	1,000	1,000	0	1,000	325	1,822,472	(1,822,472)	0	(1,822,472)	(1,822,472)
am 6100-285-0001 Department of Education	Ch. 172268	1,000	1,000	0	1,000	312	1,653,438	(1,652,438)	0	(1,652,438)	(1,652,438)
am 6100-285-0001 Department of Education	Ch. 18163	1,000	1,000	0	1,000	373	7,659,671	(7,657,671)	0	(7,657,671)	(7,657,671)
am 6100-285-0001 Department of Education	Ch. 18163	1,000	1,000	0	1,000	373	7,659,671	(7,657,671)	0	(7,657,671)	(7,657,671)
am 6100-285-0001 Department of Education	Ch. 142364	1,000	1,000	0	1,000	778	1,034,828	(1,033,828)	0	(1,033,828)	(1,033,828)
am 6100-285-0001 Department of Education	Ch. 117789	1,000	1,000	0	1,000	228	2,142,453	(2,141,453)	0	(2,141,453)	(2,141,453)
am 6100-285-0001 Department of Education	Ch. 117789	1,000	1,000	0	1,000	949	17,562,467	(17,561,467)	0	(17,561,467)	(17,561,467)
am 6100-285-0001 Department of Education	Ch. 48933	1,000	1,000	0	1,000	547	6,598,780	(6,597,780)	0	(6,597,780)	(6,597,780)
am 6100-285-0001 Department of Education	Ch. 48933	1,000	1,000	0	1,000	543	6,038,034	(6,037,034)	0	(6,037,034)	(6,037,034)
am 6100-285-0001 Department of Education	Ch. 134888	1,000	1,000	0	1,000	1,265	8,414,114	(8,413,114)	0	(8,413,114)	(8,413,114)
am 6100-285-0001 Department of Education	Ch. 64168	1,000	1,000	0	1,000	1,265	8,414,114	(8,413,114)	0	(8,413,114)	(8,413,114)
am 6100-285-0001 Department of Education	Ch. 123408	1,000	1,000	0	1,000	64	62,1947	(62,1947)	0	(62,1947)	(62,1947)
am 6100-285-0001 Department of Education	Ch. 87265	1,000	1,000	0	1,000	468	2,868,405	(2,867,405)	0	(2,867,405)	(2,867,405)
am 6100-285-0001 Department of Education	Ch. 88677	1,000	1,000	0	1,000	131	2,002,882	(2,001,882)	0	(2,001,882)	(2,001,882)
am 6100-285-0001 Department of Education	Ch. 88677	1,000	1,000	0	1,000	132	867,482	(866,482)	0	(866,482)	(866,482)
am 6100-285-0001 Department of Education	Ch. 88677	1,000	1,000	0	1,000	476	8,276,810	(8,275,810)	0	(8,275,810)	(8,275,810)
am 6100-285-0001 Department of Education	Ch. 30065	1,000	1,000	0	1,000	1	182,225	(181,225)	0	(181,225)	(181,225)
am 6100-285-0001 Department of Education	Ch. 110784	1,000	1,000	0	1,000	366	4,207,880	(4,206,880)	0	(4,206,880)	(4,206,880)
am 6100-285-0001 Department of Education	Ch. 146388	1,000	1,000	0	1,000	165	1,616,953	(1,615,953)	0	(1,615,953)	(1,615,953)
am 6100-285-0001 Department of Education	Ch. 146388	1,000	1,000	0	1,000	678	4,712,513	(4,711,513)	0	(4,711,513)	(4,711,513)
am 6100-285-0001 Department of Education	Ch. 146388	1,000	1,000	0	1,000	18	774,884	(774,884)	0	(774,884)	(774,884)
am 6100-285-0001 Department of Education	Ch. 134780	0	0	0	0	18	125,110	(125,110)	0	(125,110)	(125,110)
am 6100-285-0001 Department of Education	Ch. 134780	0	0	0	0	459	2,853,438	(2,852,438)	0	(2,852,438)	(2,852,438)
am 6100-285-0001 Department of Education	Ch. 134780	32,000	32,000	0	32,000	12,823	(176,830,401)	(176,798,401)	1,000	(176,798,401)	(176,798,401)
-03 Budget Act (Ch. 376.02) Total											
-02 Student Aid (Ch. 334.07)											
am 6100-285-0001 Department of Education	Ch. 17773	1,295,000	2,000	0	2,000	123	711,188	(709,188)	0	(709,188)	(709,188)
am 6100-285-0001 Department of Education	Ch. 61891	3,119,000	34,533	0	32,880	300	1,257,848	(1,254,888)	0	(1,254,888)	(1,254,888)
am 6100-285-0001 Department of Education	Ch. 71868	202,000	0	201	(201)	38	182,361	(182,361)	0	(182,361)	(182,361)
am 6100-285-0001 Department of Education	Ch. 73401	4,169,000	0	14,812	(14,812)	451	2,271,872	(2,253,862)	0	(2,253,862)	(2,253,862)
am 6100-285-0001 Department of Education	Ch. 89494	387,000	359	757	(405)	200	825,041	(825,448)	0	(825,448)	(825,448)
am 6100-285-0001 Department of Education	Ch. 78162	589,000	0	35,008	(35,008)	133	2,109,825	(2,145,231)	0	(2,145,231)	(2,145,231)
am 6100-285-0001 Department of Education	Ch. 98176	40,532,000	238,121	3,768	234,356	558	11,057,047	(10,802,882)	0	(10,802,882)	(10,802,882)
am 6100-285-0001 Department of Education	Ch. 121381	271,000	20,313	0	20,313	0	0	20,313	0	20,313	20,313
am 6100-285-0001 Department of Education	Ch. 88887	6,080,000	74,838	3,535	71,293	263	1,389,882	(1,298,289)	0	(1,298,289)	(1,298,289)
am 6100-285-0001 Department of Education	Ch. 118475	14,229,000	23,716	10,133	13,623	446	6,536,882	(6,523,259)	0	(6,523,259)	(6,523,259)
am 6100-285-0001 Department of Education	Ch. 118475	29,000	27,235	0	27,235	4	4,421	(4,421)	0	(4,421)	(4,421)
am 6100-285-0001 Department of Education	Ch. 117877	5,387,000	0	0	0	313	4,570,805	(4,563,480)	0	(4,563,480)	(4,563,480)
am 6100-285-0001 Department of Education	Ch. 48933	13,893,000	83,410	104,817	(21,407)	165	2,071,137	(2,071,137)	0	(2,071,137)	(2,071,137)
am 6100-285-0001 Department of Education	Ch. 48933	13,893,000	14,235	2,535	(11,269)	222	7,681,133	(7,674,834)	0	(7,674,834)	(7,674,834)
am 6100-285-0001 Department of Education	Ch. 172268	1,171,000	14,213	222	(13,991)	278	788,281	(776,280)	0	(776,280)	(776,280)
am 6100-285-0001 Department of Education	Ch. 18163	6,202,000	4,608	2,052	2,418	300	4,548,244	(4,543,828)	0	(4,543,828)	(4,543,828)
am 6100-285-0001 Department of Education	Ch. 73265	167,000	1,302	660	712	119	182,560	(181,258)	0	(181,258)	(181,258)
am 6100-285-0001 Department of Education	Ch. 142364	339,000	630	378	251	140	634,460	(634,209)	0	(634,209)	(634,209)

State Controller's Office
Division of Accounting and Reporting - State Maintained Cost Programs
Schedule of Appropriation Transfer and Delinquency Report

Program Name	Initial Budget	Beginning Fund	Expenditures	Appropriation Balance	Unpaid Claims	Unpaid Claims in Dollars	Appropriation Balance	Appropriation Delinquency	Net Request
Appropriation	Balance July 1, 2003	Fund	2003	March 31, 2004	Quantity				
Item 6100-285-0001 Department of Education	Ch. 117788	Low Enforcement Agency Notification	1,610,000	518	235	595,802	(595,802)	(595,802)	(595,802)
Item 6100-285-0001 Department of Education	Ch. 48875	Mandated Relationship Promises	11,859,000	775	883	7,375,793	(7,375,793)	(7,375,793)	(7,375,793)
Item 6100-285-0001 Department of Education	Ch. 136828	Notification to Teachers: Pupils Subject to Suspension or Expul	7,676,000	79,125	305	4,135,888	(4,056,644)	(4,056,644)	(4,056,644)
Item 6100-285-0001 Department of Education	Ch. 54188	Open Meetings Act / Brown Act Reform	2,395,000	5,880	452	3,865,735	(3,865,735)	(3,865,735)	(3,865,735)
Item 6100-285-0001 Department of Education	Ch. 172408	Parent Classroom Visits	1,076,000	17,004	88	5,578,005	(5,578,005)	(5,578,005)	(5,578,005)
Item 6100-285-0001 Department of Education	Ch. 92577	Physical Performance Tests	1,176,000	1,679	378	1,411,504	(1,405,089)	(1,405,089)	(1,405,089)
Item 6100-285-0001 Department of Education	Ch. 92577	Parent Classroom Visitation	387,000	250	123	1,085,764	(1,085,764)	(1,085,764)	(1,085,764)
Item 6100-285-0001 Department of Education	Ch. 92577	Pupil Evaluation	3,312,000	11,420	228	2,353,820	(2,344,138)	(2,344,138)	(2,344,138)
Item 6100-285-0001 Department of Education	Ch. 32678	Pupil Health Screenings	219,000	0	0	0	0	0	0
Item 6100-285-0001 Department of Education	Ch. 110784	Pupil Suspension/Discipline Employee Reports	1,402,000	3,553	469	1,521,518	(1,517,883)	(1,517,883)	(1,517,883)
Item 6100-285-0001 Department of Education	Ch. 144839	Removal of Children	1,302,000	8,538	146	1,258,413	(1,250,708)	(1,250,708)	(1,250,708)
Item 6100-285-0001 Department of Education	Ch. 144839	School Assembly Report Cards	2,176,000	6,740	538	2,056,308	(2,056,308)	(2,056,308)	(2,056,308)
Item 6100-285-0001 Department of Education	Ch. 160784	School District Reporting If	1,657,000	0	800	10,245,098	(10,245,098)	(10,245,098)	(10,245,098)
Item 6100-285-0001 Department of Education	Ch. 123294	School District of Choice	10,207,000	43,892	187	2,176,380	(2,176,380)	(2,176,380)	(2,176,380)
Item 6100-285-0001 Department of Education	Ch. 87780	Schools Discipline Rules	1,729,000	0	648	200,831	(200,831)	(200,831)	(200,831)
Item 6100-285-0001 Department of Education	Ch. 134780	Schools Screening	2,242,000	0	555	393,737	(393,737)	(393,737)	(393,737)
2003-02 Budget Act (Ch. 740) Total			150,877,000	737,250	318,148	427,112	11,517	91,888,817	(91,888,817)

Item 6100-285-0001 Department of Education	Ch. 7778	Assessment Balise	0	0	0	0	0	0	0
Item 6100-285-0001 Department of Education	Ch. 81687	ADIS Provision Information	0	0	0	0	0	0	0
Item 6100-285-0001 Department of Education	Ch. 44370	Annual Parent Notification III	0	0	231	1,313,487	(1,313,487)	(1,313,487)	(1,313,487)
Item 6100-285-0001 Department of Education	Ch. 98874	Teacher's Affidavit	0	0	281	3,476,808	(3,476,808)	(3,476,808)	(3,476,808)
Item 6100-285-0001 Department of Education	Ch. 48875	Certification Teachers Evaluation	0	0	1	880,701	(880,701)	(880,701)	(880,701)
Item 6100-285-0001 Department of Education	Ch. 78162	Cluster Schools	0	0	263	1,750	(1,750)	(1,750)	(1,750)
Item 6100-285-0001 Department of Education	Ch. 93176	Collective Bargaining	0	0	1,888	4,437,487	(4,437,487)	(4,437,487)	(4,437,487)
Item 6100-285-0001 Department of Education	Ch. 137867	Credentialed Monitoring	0	0	2	27,428,547	(27,428,547)	(27,428,547)	(27,428,547)
Item 6100-285-0001 Department of Education	Ch. 135884	Emergency Procedures	0	0	1,455	12,174	(12,174)	(12,174)	(12,174)
Item 6100-285-0001 Department of Education	Ch. 125875	Expulsion of Pupils Transferring Out for Appeals	0	0	28,587,405	(28,587,405)	(28,587,405)	(28,587,405)	(28,587,405)
Item 6100-285-0001 Department of Education	Ch. 118476	Healthcare Travel	0	0	481	0	0	0	0
Item 6100-285-0001 Department of Education	Ch. 117877	Immigration Records	0	0	0	6,481,014	(6,481,014)	(6,481,014)	(6,481,014)
Item 6100-285-0001 Department of Education	Ch. 48875	Increased Graduation Requirements	0	0	472	42,773	(42,773)	(42,773)	(42,773)
Item 6100-285-0001 Department of Education	Ch. 17236	Interdistrict Attendance Permit	0	0	427	22,235,852	(22,235,852)	(22,235,852)	(22,235,852)
Item 6100-285-0001 Department of Education	Ch. 17236	Interdistrict Transfer Request Parents Employment	0	0	484	788,888	(788,888)	(788,888)	(788,888)
Item 6100-285-0001 Department of Education	Ch. 16183	Interdistrict Attendance	0	0	408	903,168	(903,168)	(903,168)	(903,168)
Item 6100-285-0001 Department of Education	Ch. 72385	Investment Reports	0	0	248	8,039,046	(8,039,046)	(8,039,046)	(8,039,046)
Item 6100-285-0001 Department of Education	Ch. 142384	Juvenile Court Notations II	0	0	7	178,883	(178,883)	(178,883)	(178,883)
Item 6100-285-0001 Department of Education	Ch. 313788	Law Enforcement Agency Notification	0	0	308	7,882	(7,882)	(7,882)	(7,882)
Item 6100-285-0001 Department of Education	Ch. 48875	Mandated Relationship Promises	0	0	567	702,284	(702,284)	(702,284)	(702,284)
Item 6100-285-0001 Department of Education	Ch. 136788	Notification to Teachers: Pupils Subject to Suspension or Expul	0	0	632	6,472,788	(6,472,788)	(6,472,788)	(6,472,788)
Item 6100-285-0001 Department of Education	Ch. 84188	Open Meetings Act / Brown Act Reform	0	0	585	4,231,753	(4,231,753)	(4,231,753)	(4,231,753)
Item 6100-285-0001 Department of Education	Ch. 129488	Parent Classroom Visits	0	0	885	4,078,877	(4,078,877)	(4,078,877)	(4,078,877)
Item 6100-285-0001 Department of Education	Ch. 92577	Physical Performance Tests	0	0	3,320	28,230,275	(28,230,275)	(28,230,275)	(28,230,275)
Item 6100-285-0001 Department of Education	Ch. 92577	Pupil Classroom Suspensions	0	0	8	25,749,152	(25,749,152)	(25,749,152)	(25,749,152)
Item 6100-285-0001 Department of Education	Ch. 88677	Pupil Health Screenings	0	0	157	30,288	(30,288)	(30,288)	(30,288)
Item 6100-285-0001 Department of Education	Ch. 88677	Pupil Health Screenings	0	0	157	1,437,794	(1,437,794)	(1,437,794)	(1,437,794)
Item 6100-285-0001 Department of Education	Ch. 13467	Pupil Suspension/Discipline Employee Reports	0	0	558	1,057,835	(1,057,835)	(1,057,835)	(1,057,835)
Item 6100-285-0001 Department of Education	Ch. 13467	Pupil Suspension/Discipline Employee Reports	0	0	558	1,287,881	(1,287,881)	(1,287,881)	(1,287,881)
Item 6100-285-0001 Department of Education	Ch. 13467	Pupil Suspension/Discipline Employee Reports	0	0	558	4,478,503	(4,478,503)	(4,478,503)	(4,478,503)
Item 6100-285-0001 Department of Education	Ch. 13467	Pupil Suspension/Discipline Employee Reports	0	0	408	1,738,827	(1,738,827)	(1,738,827)	(1,738,827)

State Controller's Office
Division of Accounting and Reporting - State Mandated Cost Programs
Schedule of Appropriation Transfer and Deficiency Report

Item, Section, or Other	Program Name	Initial Budget Appropriation	Expending Fund Balance July 1, 2003	Expenditures	Appropriation March 31, 2004	Unpaid Quantity	Unpaid Claims In Dollars	Appropriation Balance (Confidential)	Appropriation Balance	Appropriation Deficiency	Net Request
003-03 Budget Act (Ch. 778.02) Total		1,000	1,000	0	1,000	128	9,434,024	(8,433,021)	0	(8,433,021)	(8,433,021)
Item 8100-255-000 Department of Education, Provision 5	Ch. 891/75	0	0	0	0	24	2,593,307	(2,593,307)	0	(2,593,307)	(2,593,307)
Item 8100-255-000 Department of Education, Provision 5	Ch. 164	1,000	1,000	0	1,000	28	11,898,074	(11,898,074)	0	(11,898,074)	(11,898,074)
Item 8100-255-000 Department of Education, Provision 5	Ch. 753/85	0	0	0	0	5	7,416	(7,416)	0	(7,416)	(7,416)
Item 8100-255-000 Department of Education, Provision 5	Ch. 488/75	0	0	0	0	55	703,188	(703,188)	0	(703,188)	(703,188)
Item 8100-255-000 Department of Education, Provision 5	Ch. 841/85	0	0	0	0	25	280,189	(280,189)	0	(280,189)	(280,189)
003-03 Budget Act (Ch. 778.02) Total		1,000	1,000	0	1,000	148	15,230,178	(15,229,178)	0	(15,229,178)	(15,229,178)
001-02 Budget Act (Ch. 734.01)											
Item 8100-255-000 Department of Education, Provision 5	Ch. 777/8	0	0	0	0	0	327,013	(327,013)	0	(327,013)	(327,013)
Item 8100-255-000 Department of Education, Provision 5	Ch. 681/75	0	0	0	0	0	4,718,811	(4,718,811)	0	(4,718,811)	(4,718,811)
Item 8100-255-000 Department of Education, Provision 5	Ch. 753/85	0	0	0	0	0	20,013	(20,013)	0	(20,013)	(20,013)
Item 8100-255-000 Department of Education, Provision 5	Ch. 488/75	0	0	0	0	0	348,682	(348,682)	0	(348,682)	(348,682)
Item 8100-255-000 Department of Education, Provision 5	Ch. 841/85	0	0	0	0	1	22,784	(22,784)	0	(22,784)	(22,784)
001-02 Budget Act (Ch. 734.01) Total		0	0	0	0	1	5,446,193	(5,446,193)	0	(5,446,193)	(5,446,193)
000-01 & Prior Budget Acts											
Item 8100-255-000 Department of Education, Provision 5	Ch. 681/75	0	0	0	0	0	6,811,788	(6,811,788)	0	(6,811,788)	(6,811,788)
Item 8100-255-000 Department of Education, Provision 5	Ch. 164	0	0	0	0	84	7,800,483	(7,800,483)	0	(7,800,483)	(7,800,483)
Item 8100-255-000 Department of Education, Provision 5	Ch. 841/85	0	0	0	0	0	2,808,716	(2,808,716)	0	(2,808,716)	(2,808,716)
000-01 & Prior Budget Acts Total		0	0	0	0	84	17,020,986	(17,020,986)	0	(17,020,986)	(17,020,986)
certified indirect											
Multiple Programs Account Internal Expenses for Community Colleges		0	0	0	0	0	2,005,535	(2,005,535)	0	(2,005,535)	(2,005,535)
certified indirect Total		0	0	0	0	0	2,005,535	(2,005,535)	0	(2,005,535)	(2,005,535)
Community Colleges Grand Total		0	0	0	0	0	2,005,535	(2,005,535)	0	(2,005,535)	(2,005,535)
State Mandated Cost Programs Grand Total		783,253,590	681,420	337,190	554,070	73,898	17,731,048,579	(17,731,482,609)	34,313	(17,731,482,623)	(17,731,482,609)

Commission on State Mandates
Local Agencies
Pending Test Claim Determinations

File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim, Subject Statutes, Executive Orders
4314	9/6/1988	3/8/2002	County of San Bernardino (inactive and assumed by new claimant)	In-Home Supportive Services, Statutes 1981, Chapter 69.
4419	12/31/1991	3/15/2002	City of Newport Beach (inactive and assumed by new claimant)	California Fire Incident Reporting System as promulgated by the State Fire Marshal in the July 1990 Fire Incident Reporting System Manual New CFIRS Manual. (Amended by 00-TC-02)
98-TC-14	5/24/1999	5/3/2001	County of Los Angeles	Domestic Violence Arrests and Victim Assistance; Penal Code Sections 264.2, 13701, 13519; Statutes 1998, Chapter 698.
99-TC-11	6/22/2000	2/15/2002	County of Los Angeles	Firearm Hearings for Discharged Inpatients, Welfare and Institutions Code Subsections 8103(f) and 8103(g); Statutes 1990, Chapter 9; Statutes 1991, Chapter 955; Statutes 1992, Chapter 1326; Statutes 1993, Chapters 610 and 611; Statutes 1994, Chapter 22; Statutes 1996, Chapter 1075; Statutes 1999, Chapter 578.
00-TC-02	7/17/2000	3/8/2002	City of Newport Beach	California Fire Incident Report System (CFIRS), Amendment adding Statutes 1987, Chapter 345. (amendment to CSM-4419)
00-TC-20	6/29/2001	9/6/2001	County of Los Angeles	Workers' Compensation Disability Benefits for Government Employees; Labor Code Section 4850 Statutes 1977, Chapter 981; Statutes 1989, Chapter 1464; Statutes 1999, Chapters 224 and 970; Statutes 2000, Chapters 920 and 929. (Amended by 02-TC-02)
00-TC-21	6/29/2001	10/30/2003	County of Los Angeles	Post Conviction: DNA Court Proceedings; Penal Code sections 1405 and 1417.9; Statutes 2000, Chapter 821. (Amended by 01-TC-08)
00-TC-22	6/29/2001	2/14/2002	County of Los Angeles	Interagency Child Abuse and Neglect (ICAN) Investigation Reports; Penal Code Part 4, Title 1, Chapter 2, Article 2.5: The Child Abuse and Neglect Reporting Act; Penal Code Section 11168; Former Penal Code Section 11161.7; Statutes 1974, Chapters 348 and 836; Statutes 1977, Chapter 958; Statutes 1980, Chapter 1071; CCR, Title 11, Div. 1, Chapter 9, Article 2, sections 901, 903, 903; State Form SS 8583, Form SS 8572.
00-TC-23	6/29/2001	9/9/2002	County of San Bernardino	In Home Supportive Services II; Statutes 1991, Chapter 91; Statutes 1999, Chapter 90; Statutes 2000, Chapter 445.
00-TC-28	7/2/2001	2/27/2002	County of San Bernardino	Mentally Disordered Offenders: Treatment as a Condition of Parole; Penal Code Section 2966; Statutes 1986; Chapter 858; Statutes 1987, Chapter 687; Statutes 1988, Chapter 658; Statutes 1989, Chapter 228; Statutes 1994, Chapter 706.
01-TC-01	8/13/2001	6/18/2002	County of Sacramento	Racial Profiling: Law Enforcement Training; Statutes 2000, Chapter 684.1
01-TC-07	10/24/2001	5/21/2002	City of Palos Verdes Estates	Binding Arbitration; Statutes 2000, Chapter 906.

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01-TC-08	1/1/2001	10/30/2003	County of Los Angeles	Amendment Post Conviction: DNA Court Proceedings Test Claim Amendment, Penal Code Sections 1405 and 1417.9; Statutes 2001, Chapter 943. (Amendment to 00-TC-21)
01-TC-11	2/8/2002	5/3/2002	City of Los Angeles, Department of Recreations and Parks	Local Recreational Areas: Background Screenings; Public Resources Code Section 5164; subdivision (b) (1) and (b) (2); Statutes 2001, Chapter 777.
01-TC-13	4/18/2002	7/29/2002	County of Orange	Modified Primary Election; Statutes 2000, Chapter 898.
01-TC-15	5/17/2002	7/29/2002	County of Orange	Fifteen Day Close of Voter Registration; Statutes 2000, Chapter 899.
01-TC-16	6/3/2002	9/17/2002	City of San Jose	Fire Safety Inspections of Care Facilities; Statutes 1989, Chapter 993.
01-TC-20	6/28/2002	8/30/2002	CSAC - EIA & County of Tehama	Hepatitis and Blood-Borne Illnesses Presumption for Law Enforcement and Firefighters; Labor Code section 3212.8; Statutes 2000, Chapter 490; Statutes 2001, Chapter 833.
01-TC-23	6/28/2002	8/30/2002	CSAC - EIA & County of Tehama	Tuberculosis Presumption for Firefighters, Jail Guards, and Correctional Officers; Labor Code Section 3212.6; Statutes 1995, Chapter 683; Statutes 1996, Chapter 802.
01-TC-24	6/28/2002	8/30/2002	CSAC - EIA & County of Tehama	Meningitis Presumption for Law Enforcement and Firefighters; Labor Code section 3212.9; Statutes 2000, Chapter 883.
01-TC-25	6/28/2002	8/30/2002	CSAC - EIA & County of Tehama	Lower Back Injury Presumption for Law Enforcement; Statutes 2001, Chapter 834.
01-TC-26	7/3/2002	7/6/2004	County of San Bernardino	Medically Indigent Adults; Statutes 1982, Chapters 328 and 1594. (postmarked 6/28/02)
01-TC-27	07/01/02	8/30/2002	City of Newport Beach	Skin Cancer Presumption for Lifeguards; Labor Code section 3212.11; Statutes 2001, Chapter 846.
01-TC-29	6/27/2002	1/24/2003	County of Alameda	Domestic Violence Background Checks; Statutes 2001, Chapters 572 and 713. (re-submitted on 8/1/02)
01-TC-30	07/02/02	12/20/2002	City and County of Sacramento	Local Government Employment Relations; Statutes 2000, Chapter 901; Title 8, California Code of Regulations, Sections 31001-61630 (Resubmitted on 8/1/03)

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02-TC-01	7/3/2002	1/23/2003	County of San Bernardino	California Youth Authority; Sliding Scale for Charges, Welfare and Institutions Code sections 912, 912.1, 912.5; Statutes 1996, Chapter 6; Statutes 1998, Chapter 632.
02-TC-03	8/6/2002	10/14/2003	County of Sacramento	Training Requirements for Instructors and Academy Staff. POST Regulations 1001, 1052, 1053, 1055, 1070, 1071, 1082.
02-TC-04	9/6/2002	3/13/2003	City of Newport Beach	Crime Statistic Reports for the Department of Justice. Statutes 1980, Chapter 1340; Statutes 1982, Chapter 147; Statutes 1984, Chapter 1609; Statutes 1989, Chapter 1172; Statutes 1992, Chapter 1338; Statutes 1993, Chapter 1230; Statutes 1995, Chapters 803 and 965; Statutes 1998, Chapter 933; Statutes 1999, Chapter 571; Statutes 2000, Chapter 626; Statutes 2001, Chapters 468 and 483; and California Department of Justice, Criminal Justice Statistics Center, Criminal Statistics Reporting Requirements and Requirements Spreadsheet, March 2000.
02-TC-10	10/15/2002	1/13/2003	County of Los Angeles	California Public Records Act: Disclosure Procedures; Government Code Sections 6252, 6253, 6253.1, 6253.9, 6255; Statutes 2000, Chapter 982; Statutes 2002, Chapters 355, 945 and 1073.
02-TC-11	11/22/2002	3/13/2003	County of Sacramento	Crime Statistic Reports for the Department of Justice: Statutes 1980, Chapter 1340; Statutes 1982, Chapter 147; Statutes 1984, Chapter 1609; Statutes 1989, Chapter 1172; Statutes 1992, Chapter 1338; Statutes 1993, Chapter 1230; Statutes 1995, Chapter 803; Statutes 1995, Chapter 965; Statutes 1998, Chapter 933; Statutes 1999, Chapter 571; Statutes 2000, Chapter 626; Statutes 2001, Chapter 468; Statutes 2001, Chapter 483.
02-TC-18	4/18/2003	12/9/2003	County of Los Angeles	Crime Victims' Domestic Violence Incident Reports; Penal Code sections 12028.5, 13730, Family Code section 6228, Statutes 2001, Chapter 483 and Statutes 2002, Chapters 377, 830, and 833.
02-TC-20	5/12/2003	7/30/2003	County of Los Angeles	De-Certification of Punch-Card Voting Systems, Secretary of State's September 18, 2001 Order, as amended on December 17, 2001 and May 23, 2002
02-TC-23	5/29/2003	9/25/2003	Sacramento Metropolitan Fire District	Local Agency Formation Commissions (LAFCO). Government Code Sections 56326.5, 56381, 56381.6, 56001, 56425, 56430 and 56426.5, as added and amended by Statutes 1991, Chapter 439 (AB 748); Statutes 2000, Chapter 761 (AB 2838); and Statutes 2002, Chapter 493 (AB 1948); and "LAFCO Municipal Service Review Guidelines" (October 2002); and "LAFCO Municipal Service Review Guidelines Appendices" (October 2002) of the Governor's Office of Planning and Research
02-TC-38	6/26/2003	8/25/2003	Sacramento Metropolitan Fire District	Essential Services Buildings. Statutes 1985, Chapter 1521; Statutes 1990, Chapter 72; Statutes 2000, Chapter 463; and California Code of Regulations, Title 24, Part 1, Chapter 4, Article 1

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02-TC-40	6/27/2003	1/30/2004	County of Stanislaus	Handicapped and Disabled Students II, Statutes 1992, Chapter 759, Statutes 1996, Chapter 654, Statutes 1998, Chapter 691, Statutes 2001, Chapter 745, Statutes 2002, Chapter 585, Statutes 2002, Chapter 1167, Title 2, California Code of Regulations, Sections 60000-60600
02-TC-41	6/27/2003		County of San Bernardino	Reconveyance of Deed of Trust and Mortgage Discharge Certificate. Civil Code Section 2941 as amended by Statutes 2000, Chapter 1013
02-TC-49	6/30/2003	10/27/2003	County of Los Angeles	County Mental Health Services for Pupils With Disabilities. Government Code Sections 7570, 7571, 7572, 7572.5, 7572.55, 7573, 7576, 7579, 7584, 7585, 7586, 7586.7, 7587, 7588, as added or amended by Statutes 1984, Chapter 1747, Statutes 1985, Chapters, 107, 1274; Statutes 1986, Chapter 1133; Statutes 1992, Chapter 759; Statutes 1994, Chapter 1128, Statutes 1996, Chapter 654, Statutes 1998, Chapter 691, Statutes 2001, Chapter 745; Statutes 2002, Chapter 585, and Title 2, California Code of Regulations, Division 9, Sections 60000-60610
02-TC-50	6/30/2003	9/8/2003	County of Los Angeles	Re-Districting: Senate and Congressional Districts. Statutes 2001, Chapter 348 and the Senate Elections and Reapportionment Committee Instructions Issued on September 24, 2001
03-TC-08	9/25/2003		City of Newport Beach	Identify Theft Penal Code sections 530.6 and 530.6, as amended and added by Stats. 2000, Chapter 956 (AB 1897)
03-TC-10	9/25/2003	1/9/2004	Sacramento Metropolitan Fire Department	Budget Trailer Bill (AB 3000). Government Code Sections 910.4, 17558.6, 17561, and 17564 as added or amended by Statutes 2000, Chapter 1124, and State Mandated Costs Claiming Instructions No. 2002-18
02-TC-49	8/4/2003	1/30/2004	County of Los Angeles	Test Claim Amendment: County Mental Health Services for Pupils With Disabilities. Government Code Sections 7570, 7571, 7572, 7572.5, 7572.55, 7573, 7576, 7579, 7584, 7585, 7586, 7586.7, 7587, 7588, as added or amended by Statutes 1984, Chapter 1747, Statutes 1985, Chapters, 107, 1274; Statutes 1986, Chapter 1133, Statutes 1992, Chapter 759; Statutes 1994, Chapter 1128; Statutes 1996, Chapter 654; Statutes 1998, Chapter 691; Statutes 2001, Chapter 745; Statutes 2002, Chapter 585, and Title 2, California Code of Regulations, Division 9, Sections 60000-60610; Amended by: Government Code Section 7582 as added by Statutes 1984, Chapter 1747, and amended by Statutes 1985, Chapter 1274, and Statutes 1992, Chapter 759, and Title 2, California Code of Regulations, Division 9, Sections 60200(a), 60200(b), 60200(c), 60200(e), and 60200(f)
03-TC-11	9/26/2003	5/27/2004	County of Sacramento	Permanent Absent Voters II. Election Code Sections 3200 through 3206 as added or amended by Statutes 1994, Chapter 920, Statutes 1996, Chapter 724; Statutes 2001, Chapter 918; Statutes 2001, Chapter 922, and Statutes 2002, Chapter 664

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03-TC-12	9/26/2003	2/5/2004	County of Santa Clara	Airport Land Use Commission/Plans II, Public Utilities Code Sections 21670, 21675, and 21676 as added or amended by Statutes 1967, Chapter 852; Statutes 1970, Chapter 1182; Statutes 1973, Chapter 844; Statutes 1980, Chapter 725; and Statutes 1981, Chapter 714; Statutes 1982, Chapter 1047; Statutes 1984, Chapter 1117; Statutes 1987, Chapter 1018; Statutes 1989, Chapter 306; Statutes 1990, Chapter 563; Statutes 1991, Chapter 140; Statutes 1993, Chapter 59; Statutes 1994, Chapter 644; Statutes 2000, Chapter 506; Statutes 2002, Chapter 438; and Statutes 2002, Chapter 971
03-TC-13	9/26/2003		City of Newport Beach	Prevailing Wages, Labor Code Sections 1720, 1720.3, 1720.4, 1726, 1727, 1735, 1742, 1770, 1771, 1771.5, 1771.6, and 1773.5 as added or amended by Statutes 1976, Chapter 1084; Statutes 1976, Chapter 1174; Statutes 1980, Chapter 992; Statutes 1983, Chapter 142; and Statutes 1983, Chapter 143; Statutes 1989, Chapter 278; Statutes 1989, Chapter 1224; Statutes 1992, Chapter 913; Statutes 1992, Chapter 1342; Statutes 1999, Chapter 83; Statutes 1999, Chapter 220; Statutes 2000, Chapter 881; Statutes 2000, Chapter 954; Statutes 2001, Chapter 938; and Statutes 2002, Chapter 1048; and Title 8, California Code of Regulations, Sections 16000 through 16802
03-TC-14	9/26/2003		County of Santa Clara	Tuberculosis Control, Health and Safety Code Sections 121361, 121362, 121363, 121364, 121365, 121366, 121367, 121368, and 121369, as added or amended by Statutes 1993, Chapter 676; Statutes 1994, Chapter 685; Statutes 1997, Chapters 116 and 294; and Statutes 2002, Chapter 763
03-TC-15	9/26/2003		City of Kingsburg	Reserve Peace Officer Training, Statutes 1977, Chapter 987; Statutes 1979, Chapter 987; Statutes 1980, Chapters 1301 and 1340; Statutes 1982, Chapter 79; Statutes 1983, Chapter 446; Statutes 1984, Chapter 761; Statutes 1986, Chapter 160; Statutes 1988, Chapter 1482; Statutes 1989, Chapters 594 and 1165; Statutes 1990, Chapter 1695; Statutes 1991, Chapter 509; Statutes 1991, Chapters 169 and 718; Statutes 1994, Chapters 117 and 676; Statutes 1993-94 Extra Session, Chapter 26; Statutes 1995, Chapter 54; Statutes 1996, Chapter 1142; Statutes 1997, Chapter 127; Statutes 1998, Chapter 190; Statutes 1999, Chapter 111; Statutes 2000, Chapter 287; and Statutes 2001, Chapter 473; and the Post Administrative Manual, Section B
03-TC-18	9/29/2003	1/30/2004	City of Newport Beach	Test Claim: Peace Officers Procedural Bill of Rights II, Statutes 1976, Chapter 465; Statutes 1994, Chapter 1259; Statutes 1997, Chapter 148; Statutes 1998, Chapters 786, 263, and 112; Statutes 1999, Chapter 338; Statutes 2000, Chapter 209; and Statutes 2002, Chapters 1156 and 170
03-TC-23	10/1/2003		County of San Bernardino	Voter Identification Procedures, Statutes of 2000, Chapter 260 (Sections 1 & 2); Elections Code Section 14310
98-TC-14	12/22/2003		County of Los Angeles	Test Claim Amendment: Domestic Violence Arrests and Victim Assistance; Statutes 1998, Chapter 702

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96-358-03	12/23/1996	2/27/1999	San Juan USD	"Pupil Expulsions II" Statutes 1996, Chapter 15.
96-358-03A	6/6/1997	2/27/1999	San Juan USD	"Pupil Expulsions II" Statutes 1996, Chapter 1052.
96-358-04	12/23/1996	2/27/1999	San Juan USD	"Pupil Expulsions II" Statutes 1995, Chapter 972.
96-358-04A	6/6/1997	2/27/1999	San Juan USD	"Pupil Suspensions II" Statutes 1996, Chapter 951.
97-TC-09	12/29/1997	2/17/1998	Kern County Superintendent of Schools	Educational Services Plan for Expelled Pupils, Statutes 1996, Chapter 1052.
98-TC-18	6/10/1999	5/21/2001	Sierra CCD	Tenure Grievance Arbitration: Education Code Sections 87610.1, 87611, Statutes 1988, Chapter 973.
98-TC-22	6/28/1999	2/27/1999	San Juan USD	Pupil Expulsions II, Statutes 1996, Chapter 15, 3rd Amendment.
98-TC-23	6/28/1999	2/27/1999	San Juan USD	Pupil Suspensions II, Statutes 1995, Chapter 974, 3rd Amendment.
99-TC-05	11/29/1999	3/15/2001	Western Placer USD	Charter School Collective Bargaining, Statutes 1999, Chapter 828 (AB 631), Education Code Sections 47605 (b)(5)(e) and 47611.5, Gov. Code Section 3540 et seq.
99-TC-14	6/29/2000		Western Placer USD and Fenton Avenue Charter School	Charter Schools II, Statutes 1996, Chapter 786 (AB 3384), Statutes 1998, Chapter 34 (AB 544), Statutes 1998, Chapter 673 (AB 2417), Statutes 1999, Chapter 162 (AB 434) Statutes 1999, Chapter 736 (SB 267), Statutes 1999, Chapter 78 (AB 1115), GDE Memo dated 5/22/00, Education Code Sections 41365, 47605(b), 47605(f), 47604.3, 47605(c), 47605(d), 47605(f), 47607(c), 47612.5, 47630-47664.
00-TC-10	5/7/2001	7/30/2001	Sweetwater UHSD	Pupil Discipline Records, Statutes 2000, Chapter 345, Statutes 1997, Chapter 637.
00-TC-11	5/10/2001	9/18/2001	Carpinteria USD	Notification to Teachers: Pupils Subject to Suspension or Expulsion II, Statutes 2000, Chapter 345 (AB 29), Education Code Section 48201 and 49079.
00-TC-17	6/27/2001	7/31/2001	Clovis USD	Agency Fee Arrangements, Government Code Sections 3543, 3546, 3546.3, Statutes 2000, Chapter 893, Statutes 1980, Chapter 816 (Amended by 01-TC-14).
01-TC-02	9/19/2001	1/6/2002	Lassen & San Luis Obispo County Offices of Education	CalSTRS Creditable Compensation, Statutes 1999, Chapter 939 (SB 1074), Statutes 2000, Chapter 1021 (AB 2700), Education Code Section 22119.2.
01-TC-09	12/5/2001	2/4/2002	San Jose USD	Missing Children Report, Statutes 1999, Chapters 1013 and 832, Statutes 1996, Chapter 277, Statutes 1994, Chapter 922, Statutes 1986, Chapter 249, Education Code Section 38139, 49068.5, 49068.6, 49370.

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01-TC-14	5/1/2002	7/31/2002	Clovis USD	Amendment Agency Fee Arrangements; adding Statutes 2001, Chapter 805; to Statutes 2000, Chapter 893, Statutes 1980, Chapter 816; Government Code Sections 3543, 3546, 3546.3.
01-TC-17	6/3/2002		San Juan USD	<i>Pupil Suspensions II</i> Amendment. Education Code Sections 48900 and 48900.3, as amended by Statutes 1999, Chapter 646; Statutes 2001, Chapter 484. (Amendment to 96-358-04, 96-358-04A, 96-358-03, 98-TC-23)
01-TC-18	6/3/2002		San Juan USD	<i>Pupil Expulsions II</i> Amendment. Education Code Sections 48900, 48900.3, 48915, 48916.1, 48918, 48919, 48923, as added or amended by Statutes 1998, Chapter 489; Statutes 1999, Chapters 332 and 646; and Statutes 2001, Chapters 116, 484, (Amendment to 96-358-03, 96-358-03A, 96-358-03B, 98-TC-23)
01-TC-21	6/28/2002	1/21/2003	San Bernardino CCD	<i>Child Abuse and Neglect Reporting</i> . Statutes 2001, Chapter 754; Statutes 2001, Chapter 133; Statutes 2000, Chapter 916; Statutes 2000, Chapter 287; Statutes 1998, Chapter 311; Statutes 1997, Chapter 134; Statutes 1997, Chapter 83; Statutes 1996, Chapter 1090; Statutes 1996, Chapter 1081; Statutes 1996, Chapter 1080; Statutes 1994, Chapter 3263; Statutes 1993, Chapter 1253; Statutes 1993, Chapter 510; Statutes 1993, Chapter 346; Statutes 1992, Chapter 459; Statutes 1991, Chapter 1102; Statutes 1991, Chapter 132; Statutes 1990, Chapter 1603; Statutes 1990, Chapter 931; Statutes 1988, Chapter 1580; Statutes 1988, Chapter 269; Statutes 1988, Chapter 39; Statutes 1987, Chapter 1459; Statutes 1987, Chapter 1444; Statutes 1987, Chapter 1418; Statutes 1987, Chapter 1020;
				Statutes 1987, Chapter 640; Statutes 1986, Chapter 1289; Statutes 1986, Chapter 248; Statutes 1985, Chapter 1598; Statutes 1985, Chapter 1572; Statutes 1985, Chapter 1528; Statutes 1985, Chapter 1420; Statutes 1985, Chapter 1068; Statutes 1985, Chapter 464; Statutes 1985, Chapter 189; Statutes 1984, Chapter 1718; Statutes 1984, Chapter 1613; Statutes 1984, Chapter 1423; Statutes 1984, Chapter 1391; Statutes 1984, Chapter 1170; Statutes 1982, Chapter 905; Statutes 1981, Chapter 435; Statutes 1981, Chapter 29; Statutes 1980, Chapter 1117; Statutes 1980, Chapter 1071; Statutes 1980, Chapter 855; Statutes 1979, Chapter 373; Statutes 1978, Chapter 136; Statutes 1977, Chapter 958; Statutes 1976, Chapter 1139; Statutes 1976, Chapter 242; Statutes 1975, Chapter 226; Penal Code Sections 273a, 111615, 111616, 111617, 11164, 11165, 11165.1, 11165.2, 11165.3, 11165.4, 11165.5, 11165.6, 11165.7, 11165.9, 11165.14, 11166, 11166.5, 11168 and 11174.3.

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01-TC-22	6/28/2002	11/7/2002	San Juan USD	Academic Performance Index; Education Code Sections 44560 et al., title 5, CCR Sections 1031 through 1039, Statutes 2001 (SB 1295), Chapter 887; Statutes 2001, Chapter 749 (AB 961); Statutes 2001, Chapter 745 (SB 1991); Statutes 2001, Chapter 159 (SB 662); Statutes 2000, Chapter 695 (SB 1552); Statutes 2000, Chapter 190 (AB 2162); Statutes 2000, Chapter 71 (SB 1667); Statutes 1999, Chapter 52 (AB 1114); Statutes 1999/00; Chapter 3 (SB 1)
01-TC-28	6/28/2002	12/8/2003	Clovis USD	Prevailing Wage Rates; Statutes 1989, Chapter 1224; Statutes 1989, Chapter 278; Statutes 1988, Chapter 60; Statutes 1983, Chapter 1054; Statutes 1983, Chapter 681; Statutes 1981, Chapter 449; Statutes 1980, Chapter 992; Statutes 1980, Chapter 962; Statutes 1979, Chapter 373; Statutes 1978, Chapter 1249; Statutes 1977, Chapter 423; Statutes 1976, Chapter 1179; Statutes 1976, Chapter 1174; Statutes 1976, Chapter 864; Statutes 1976, Chapter 599; Statutes 1976, Chapter 536; Statutes 1976, Chapter 281; Labor Code
				Sections 1720, 1720.2, 1720.3, 1726, 1727, 1733, 1735, 1741, 1742, 1742.1, 743, 1750, 1770; 771, 771.5, 1771.6, 1772, 1773, 1773.1, 1773.2, 1773.3, 1773.5, 1773.6, 1775, 1776, 1777.1, 1777.5, 1777.6, 1777.7, 1812, 1833, 1861; (Continued below to next cell) Public Contract Code Section 22002, Title California Code of 8, Regulations Section 16000, Sections 16001 through 16003
				Sections 16100 through 16102, Sections 16200 through 16206, Sections 16300 through 16304, Sections 16460 through 16403, Sections 16410 through 16414, Section 16425, Sections 16426 through 16428, Sections 16429 through 16432, Section 16433, Sections 16436 through 16439, Section 16560, Sections 16800 through 16802, Sections 17201 through 17212, Sections 17220 through 17229,
				Sections 17230 through 17237, Sections 17240 through 17253, Sections 47260 through 17264
02-TC-02	7/17/2002	9/23/2002	County of Los Angeles and San Diego USD	TC Amendment (adding San Diego USD as Co-claimant); Workers' Compensation Disability Benefits for Government Employees, Labor Code Section 4850, as amended by Statutes 2000, Chapters 920 and 929; Statutes 1999, Chapters 224 and 970; Statutes 1999, Chapter 1464; and Statutes 1977, Chapter 981 (Amendment to 00-TC-20)
02-TC-05	09/13/02	12/27/02	Santa Monica CCD	Racial Profiling: Law Enforcement Training (K-14); Penal Code Section 13519.4, Statutes 2001, Chapter 854 (SB 205); Statutes 2000, Chapter 684 (SB 1102); Statutes 1992, Chapter 1267 (AB 401); Statutes 1990, Chapter 489 (SB 2680).

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02-TC-12	2/11/2003	3/25/2004	San Monica CCD	<i>Crime Statistics Reports (K-14)</i> : Statutes 1979, Chapters 255 and 860 (SB 281 and AB 1421); Statutes 1980, Chapter 1340 (SB 1447); Statutes 1982, Chapters 142 and 147 (SB 561 and Senate Resolution 64); Statutes 1984, Chapter 1609 (SB 1472); Statutes 1989, Chapter 1172 (SB 202); Statutes 1992, Chapter 1338 (SB 1184); Statutes 1993, Chapter 1230 (AB 2250);
				Statutes 1995, Chapters 803 and 965 (AB 488 and SB 132); Statutes 1996, Chapters 872 and 1142 (AB 3472 and SB 1797); Statutes 1998, Chapter 933 (AB 1999); Statutes 1999, Chapters 561, 659, 661, and 662 (AB 59, SB 355, AB 825, and SB 218); Statutes 2000, Chapters 254, 626, and 1001 (SB 2052, AB 715, and SB 1944); Statutes 2001, Chapters 468 and 483 (SB 314 and AB 469); Statutes 2002, Chapter 833 (SB 1807); California Department of Justice, Criminal Statistics Reporting Requirements, March 2000.
02-TC-13	2/21/2003	6/30/2003	San Jose USD	<i>Pupil Safety Notices</i> : Statutes 1983, Chapter 498 (SB 813); Statutes 1984, Chapters 482 and 948 (AB 3757 and AB 2549); Statutes 1986, Chapters 196 and 332 (AB 1541 and AB 2824); Statutes 1992, Chapter 445 and 1317 (AB 3257 and AB 169); Statutes 1993, Chapter 489 (AB 2211); Statutes 1994, Chapter 1172 (AB 2978); Statutes 1996, Chapter 1023 (SB 1023) Statutes 2002, Chapter 492 (AB 1859); Education Code Sections 32242, 32243, 32245, 46010.1, 48904, 48904.3 and 48987; Welfare and Institutions Code Section 18285; California Code of Regulation, Title 5, Section 11523.
02-TC-16	2/27/2003	6/13/2003	Santa Monica CCD	<i>Lifeguard Skin Cancer Presumption (K-14)</i> : Statutes 2001, Chapter 846 (AB 663); Labor Code Section 3212.11.
02-TC-17	2/27/2003	6/13/2003	Santa Monica CCD	<i>Hepatitis Presumption (K-14)</i> : Statutes 2000, Chapter 490 (SB 32); Statutes 2001, Chapter 883 (AB 196); Labor Code Section 3212.8.
02-TC-19	5/12/2003	8/18/2003	Santa Monica CCD	<i>CalSTRS Service Credit</i> : Statutes 1993, Chapter 893 (AB 1796) Statutes 1994, Chapters 20 (SB 858), 507 (AB 2647), 603 (AB 2554), and 933 (AB 3171) Statutes 1995, Chapters 390 (AB 1122), 394 (AB 948), and 592 (AB 1298) Statutes 1996, Chapters 383 (AB 3221), 608 (AB 2673), 634 (SB 2041), 680 (SB 1877), and 1165 (AB 3032) Statutes 1997, Chapters 482 (SB 471) and 838 (SB 227) Statutes 1998, Chapters 965 (AB 2765), 967 (AB 2804), 1006 (AB 1102), 1048 (SB 2085), and 1076 (SB 2126) Statutes 1999, Chapter 939 (SB 1074) Statutes 2000, Chapters 402 (AB 649), 880 (SB 1694), 1020 (AB 820), 1021 (AB 2700), 1025 (AB 816), and 1032 (SB 1435) Statutes 2001, Chapters 77 (SB 165), 159 (SB 662), 802 (SB 499), and 803 (SB 501); Statutes 2002, Chapter 375 (AB 2982); Education Code Section 22000, et al.

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02-TC-21	5/23/2003		Contra Costa CCD	<p><i>Tuition Fee Waivers</i>. Statutes 1975, Chapter 78 (SB 82); Statutes 1976, Chapter 990 (AB 4289); Statutes 1977, Chapters 36 and 242 (AB 447 and AB 645); Statutes 1979, Chapter 797 (AB 1549); Statutes 1980, Chapters 580 and 789 (AB 2567 and AB 2825); Statutes 1981, Chapter 102 (AB 251); Statutes 1982, Chapter 1070 (AB 2627); Statutes 1983, Chapter 317 (SB 646); Statutes 1988, Chapter 753 (AB 3958); Statutes 1989, Chapters 424, 900, and 985 (AB 1237, AB 259, and SB 716); Statutes 1990, Chapter 1372 (SB 1854); Statutes 1991, Chapter 455 (AB 1745); Statutes 1992, Chapters 170 and 1236 (AB 3058 and SB 2000); Statutes 1993, Chapter 8 (AB 46); Statutes 1995, Chapters 389 and 758 (AB 723 and AB 446); Statutes 1997, Chapter 438 (AB 1317); Statutes 1998, Chapter 952 (AB 639); Statutes 2000, Chapters 571 and 949 (AB 1346 and AB 632); Statutes 2001, Chapter 814 (AB 540); and Statutes 2002, Chapter 450 (AB 1746) Education Code Section 68044, et al. California Code of Regulations, Title 5, Section 54002, et al. Revised Guidelines and Information, "Exemption from Nonresident Tuition," Chancellor of the California Community Colleges (May 2</p>

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02-TC-22	5/23/2003		West Kern CCD	<i>Disabled Student Programs and Services</i> . Education Code Sections 67300, 67301, 67302, 67310, 67311, 67312, and 84850, as added and amended by Statutes 1977, Chapter 36 (AB 447), Statutes 1978, Chapter 1403 (AB 2670), Statutes 1979, Chapters 282 and 1035 (AB 8 and SB 186), Statutes 1981, Chapter 796 (SB 1053), Statutes 1982, Chapter 251 (AB 1729), Statutes 1983, Chapter 323 (AB 223), Statutes 1985, Chapter 903 (SB 1160), Statutes 1986, Chapter 248 (SB 2451), Statutes 1987, Chapters 829 and 998 (AB 746 and SB 252), Statutes 1990, Chapters 1066 and 1206 (AB 2625 and AB 3929), Statutes 1991, Chapter 626 (AB 1021), Statutes 1992, Chapter 1243 (AB 3090), Statutes 1995, Chapter 758 (AB 446), Statutes 1999, Chapter 379 (AB 422), and Statutes 2001, Chapter 745 (SB 1191);
				California Code of Regulations, Title 5, Sections 54100, 55522, 55602.5, 56000, 56002, 56004, 56005, 56006, 56008, 56010, 56020, 56022, 56026, 56027, 56028, 56029, 56030, 56032, 56034, 56036, 56038, 56040, 56042, 56044, 56046, 56048, 56050, 56052, 56054, 56060, 56062, 56064, 56066, 56068, 56070, 56072, 56074, and 56076; and Implementing Guidelines for Title 5 Regulations, Disabled Student Programs and Services
02-TC-24	6/5/2003		San Juan USD and Santa Monica CCD	<i>Reporting Improper Governmental Activities</i> . Education Code Sections 44110, 44111, 44112, 44113, 44114, 87160, 87161, 87162, 87163, and 87164, as added and amended by Statutes 2000, Chapter 531 (AB 531), Statutes 2001, Chapters 159 and 416 (SB 662 and AB 647), and Statutes 2002, Chapter 81 (AB 2034)
02-TC-25	6/5/2003		Los Rios CCD	<i>Notice to Students</i> . Education Code Sections 66281.5 and 66721.5, as added and amended by Statutes 1998, Chapter 914 (AB 499), and Statutes 2000, Chapter 187 (AB 1918); and California Code of Regulations, Title 5, Sections 51006, 54626, 54805, 55005, 55202, 55530, 55534, 55750, 55752, 55753, 55758, 55759, 55760, 55761, 55762, 55764, 55765, 55800, 58102, 58104, 59404, and 59410
02-TC-26	6/10/2003	4/19/2004	San Bernardino CCD	<i>Peace Officer Instructor Training</i> . Title 11, California Code of Regulations, Sections 1001, 1052, 1055, 1056, 1058, 1070, 1071, and 1082
02-TC-27	6/13/2003		Santa Monica CCD	<i>Employment of College Faculty and Administrators</i> . Education Code Sections 70901, 87356, 87357, 87358, 87359, 87360, 87360.1, 87611, 87663, 87714, 87740, 87743.2, 87743.3, 87743.4, and 87743.5; as added and amended by Statutes 2000, Chapter 124, Statutes 1998, Chapter 1023, Statutes 1995, Chapter 758, Statutes 1993, Chapter 506, Statutes 1990, Chapter 1302, Statutes 1988, Chapter 973, Statutes 1981, Chapter 470; and California Code of Regulations, Title 5, Sections 53130, 53403, 53406, 53407, 53410, 53410.1, 53412, 53414, 53415, 53416, 53417, 53420, and 53430

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File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim: Subject Statutes; Executive Orders
02-TC-28	6/13/2003		Long Beach CCD	Cal Grants. Education Code Sections 69432.8, 69432.9, 69433, 69433.5, 69433.6, 69433.7, 69434, 69434.5, 69435, 69435.3, 69436, 69436.5, 69437, 69437.3, 69437.6, 69439, 69440, and 69514.6; as added and amended by Statutes 2001, Chapter 159, Statutes 2001, Chapter 8, and Statutes 2000, Chapter 403; and, California Code of Regulations, Title 5, Sections 30002, 30007, 30023, 30026, 30027, and 30032.
02-TC-29	6/13/2003	4/28/2004	West Kern CCD	Extended Opportunity Programs and Services. Education Code Sections 69640, 69641, 69641.5, 69643, 69648, 69649, 69652, 69655, and 69656; as added and amended by Statutes 1990, Chapter 1455, Statutes 1990, Chapter 1372, Statutes 1985, Chapter 1586, and Statutes 1984, Chapter 1178; and, California Code of Regulations, Title 5, Sections 56200, 56201, 56202, 56204, 56206, 46208, 56210, 56220, 56222, 56224, 56226, 56230, 56232, 56234, 56236, 56238, 56240, 56252, 56254, 56256, 56258, 56260, 56262, 56264, 56270, 56272, 56274, 56276, 56278, 56280, 56290, 56292, 56293, 56295, 56296, and 56298; and EOPS Implementing Guidelines, Chancellor of the California Community Colleges (January 2002)
02-TC-30	6/18/2003	3/23/2004	Clovis USD	School Facilities Funding Requirements. (See attached document for California Code of Regulations, Education Code Sections, and Chapter Bills.)

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File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim: Subject Statutes; Executive Orders
02-TC-31	6/23/2003		Santa Monica CCD	<p><i>Minimum Conditions for State Aid. Education Code Sections 212, 212.5, 213, 214, 221.5, 221.7, 66010.2, 66010.7, 66016, 66030, 66251, 66252, 66261, 66261.5, 66262, 66262.5, 66263, 66264, 66270, 66271.7, 66281.5, 66290, 66291, 66292, 66292.3, 66271, 66271.5, 66722, 66722.5, 66731, 66732, 66736, 66737, 66738, 66740, 66741, 66742, 66743, 70901, 70901.5, 70902, 71027, 72011, 72012, 72013, 72014, 78015, 78016, 78211.5, 78212, 78213, 78214, 78215, 78216, 81820, 81821, 81823, 87101, 87102, 87482.6, 87482.7, as added and amended by Statutes 2002, Chapter 1169, Statutes 2000, Chapter 187, Statutes 1999, Chapter 587, Statutes 1998, Chapters 1023, 914, 365, Statutes 1995, Chapters 758 and 493, Statutes 1991, Chapters 1198, 1188, and 1038, Statutes 1990, Chapters 1667 and 1372, Statutes 1988, Chapters 1514 and 973, Statutes 1986, Chapter 1467, Statutes 1984, Chapter 1371, Statutes 1983, Chapters 537 and 143, Statutes 1982, Chapters 1329 and 1117, Statutes 1981, Chapters 891 and 470, Statutes 1980, Chapter 910, Statutes 1979, Chapters 977 and 797, Statutes 1977, Chapters 967 and 36, Statutes 1976, Chapters 1176, 10</i></p> <p><i>and California Code of Regulations, Title 5, Sections 51000, 51002, 51004, 51006, 51008, 51010, 51012, 51014, 51016, 51018, 51020, 51021, 51023, 51023.5, 51023.7, 51024, 51025, 51026, 51027, 51100, 51102, 53001, 53002, 53003, 53004, 53005, 53006, 53020, 53021, 53022, 53023, 53024, 53025, 53026, 53033, 53034, 53200, 53202, 53203, 53204, 53207, 53300, 53301, 53302, 53308, 53309, 53310, 53311, 53312, 53314, 54220, 55000, 55000.5, 55002, 55002.5, 55004, 55005, 55006, 55100, 55130, 55150, 55160, 55170, 55182, 55200, 55201, 55202, 55205, 55207, 55209, 55211, 55213, 55215, 55217, 55219, 55300, 55316, 55316.5, 55320, 55321, 55322, 55340, 55350, 55401, 55402, 55403, 55404, 55500, 55502, 55510, 55512, 55514, 55516, 55518, 55520, 55521, 55522, 55523, 55524, 55525, 55526, 55530, 55532, 55534, 55600, 55601, 55602, 55602.5, 55603, 55605, 55607, 55620.</i></p> <p><i>55630, 55750, 55751, 55752, 55753, 55753.5, 55754, 55755, 55756, 55756.5, 55757, 55758, 55758.5, 55759, 55760, 55761, 55762, 55763, 55764, 55765, 55800, 55800.5, 55801, 55805, 55805.5, 55806, 55807, 55808, 55809, 55825, 55827, 55828, 55829, 55830, 55831, 56102, 56104, 56106, 56107, 56108, and Handbook of Accreditation and Policy Manual, Accrediting Commission for Community and Junior Colleges (Summer 2002); Program and Course Approval Handbook, Chancellor's Office California Community Colleges (September 2001); and Student Equity Guidelines for Developing a Plan, Fall 2002, The Academic Senate for California Community Colleges (Appendix 1: Chancellor's Office "Student Equity Plan Review Procedures and Instructions); Appendix 3: Chancellor's Office Student Equity: Regulations and Guidelines, Revised May 14, 1997, adopted by the Academic Senate Fall 2002) (Hereafter cited as Education Code Section 212, et al.)</i></p>

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File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim: Subject Statutes; Executive Orders
02-TC-33	6/23/2003	#####	Bakersfield City School District and Sweetwater UHSD	<i>Comprehensive School Safety Plans II</i> , Education Code Sections 35294.1, 35294.2, 35294.6, 35294.8, Statutes 2001, Chapter 646; Statutes 2001, Chapter 890; Statutes 2002, Chapter 91; Statutes 2002, Chapter 506; Statutes 2002, Chapter 735.
02-TC-34	6/23/2003		Riverside USD and the Palomar CCD	<i>Student Records, Minimum Conditions for State Aid</i> , Education Code Sections 49062, 49065, 49067, 49068, 49069.3, 49069.5, 49076.5, 49077, 49078, 76220, 76223, 76225, 76234, 76244, 76245, and 76246 as added and amended by Statutes 1975, Chapter 816; Statutes 1976, Chapter 1297; Statutes 1980, Chapter 1347; Statutes 1983, Chapter 498; Statute 1989, Chapter 593; Statutes 1993, Chapter 561; Statutes 1995, Chapter 758; Statutes 1996, Chapter 879; Statutes 1998, Chapter 311; Statutes 1998, Chapter 846; and Statutes 2000, Chapter 67
02-TC-35	6/24/2003		Clovis USD and Santa Monica CCD	<i>Public Contracts (K-14)</i> , Public Contract Code Sections 2000, 2001, 3300, 6610, 7104, 7101, 7109, 9203, 10299, 12109, 20100, 20101, 20102, 20103.5, 20103.6, 20103.8, 20104, 20104.2, 20104.4, 20104.6, 20104.50, 20107, 20110, 20111, 20111.5, 20116, 20650, 20651, 20651.5, 20657, 20659, 22300; Business and Professions Code Section 7028.15; and California Code of Regulations, Title 5, Sections 59500, 59504, 59505, 59506; and 59509. Statutes 1976, Chapter 921; Statutes 1977, Chapters 36 and 631; Statutes 1980, Chapter 1255; Statutes 1981, Chapters 194 and 470; Statutes 1982, Chapters 251, 465, and 513; Statutes 1983, Chapter 256; Statutes 1984, Chapters 173, 728, and 758; Statutes 1985,
				Chapter 1073; Statutes 1986, Chapters 886 and 1060; Statutes 1987, Chapter 102; Statutes 1988, Chapters 538 and 1408; Statutes 1989, Chapters 330, 869, and 1163; Statutes 1990, Chapters 321, 694, 808, and 1414; Statutes 1991, Chapters 785 and 933; Statutes 1992, Chapters 294, 799, and 1042; Statutes 1993, Chapters 1032 and 1195; Statutes 1994, Chapter 726; Statutes 1995, Chapter 504, and 897; Statutes 1997, Chapters 390 and 722; Statutes 1998, Chapters 657 and 857; Statutes 1999, Chapter 972; Statutes 2000, Chapters 126, 127, 159, 292, and 776; and Statutes 2002, Chapter 455
02-TC-36	6/25/2003	8/18/2003	Clovis USD	<i>Surplus Property Advisory Committees</i> , Education Code Sections 17387, 17388, 17389, 17390, and 17391 as added and amended by Statutes 1982, Chapter 689; Statutes 1984, Chapter 584; Statutes 1986, Chapter 1124; Statutes 1987, Chapter 655; and Statutes 1996, Chapter 277
02-TC-37	6/26/2003		Berkeley USD and Sacramento City USD	<i>Adult Education Enrollment Reporting</i> , Statutes 1999, Chapter 50; Statutes 2000, Chapter 52; Statutes 2001, Chapter 106; Statutes 2002, Chapter 379; and Letters from the California Department of Education, dated July 6, 1999, April 24, 2000, and August 1, 2002.

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File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim: Subject Statutes; Executive Orders
02-TC-42	6/27/2003	3/1/2004	Clovis USD	Developer Fees. Education Code Sections 17620, 17621, 17622, 17623, 17624, 17625, and 17626 and Government Code Sections 65970, 65971, 65972, 65973, 65974, 65974.5, 65975, 65976, 65977, 65978, 65979, 65980, 65981, 65995, 65995.1, 65995.2, 65995.5, 65995.7, 65996, 65997, 65998, 66001, 66002, 66004, 66005, 66006, 66007, 66008, 66016, 66017, 66018, 66018.5, 66020, 66022, 66023, 66024, 66025, 66030, 66031, 66032, 66034, and 66037 as added and amended by Statutes 1977, Chapter 955, Statutes 1979, Chapter 282; Statutes 1980, Chapter 1354; Statutes 1981, Chapter 201, Statutes 1982, Chapter 923; Statutes 1983, Chapters 921 and 1254; Statutes 1984, Chapter 1062; Statutes 1985, Chapter 1498; Statutes 1986, Chapters 136, 685, 887, 888; Statutes 1987, Chapters 927, 1002, 1037, 1184, and 1346; Statutes 1988, Chapters 29, 160, 418, 912, 926; Statutes 1989, Chapters 170 and 1209; Statutes 1989, Chapter 1217; Statutes 1990, Chapters 633 and 1572; Statutes 1991, Chapter 536; Statutes 1992, Chapters 169, 231, 487, 605, 11354; Statutes 1993, Chapters 589 and 1195; Statutes 1994, Chapters 300, 983, 1228; Statutes 1995, Chapter 686
02-TC-43	6/27/2003	2/25/2004	Clovis USD	Stats. 1997, Chapter 772; Stats. 1998, Chapter 407; Stats. 1998, Chapter 689; Stats. 1999, Chapter 300; Stats. 1999, Chapter 856; Stats. 2000, Chapter 135; Stats. 2002, Chapter 33; and Stats. 2002, Chapter 1016
02-TC-44	6/27/2003	9/18/2003	Clovis USD	Hazardous Materials Assessments. Education Code Sections 17072.13, 17210, 17210.1, 17211, 17212, 17212.5, 17213, 17213.1, 17213.2, 17251, 17315, and Health and Safety Code Sections 25358.7 and 25358.7.1 as added and amended by Stats. 1976, Chapter 557; Stats. 1977, Chapter 242; Stats. 1978, Chapter 362; Stats. 1982, Chapter 735; Stats. 1990, Chapter 1602; Stats. 1991, Chapter 1183; Stats. 1996, Chapter 277; Stats. 1999, Chapters 992 and 1002; Stats. 2000, Chapter 443; Stats. 2001, Chapters 159, 422, and 865; and Stats. 2002, Chapter 935
02-TC-44	6/27/2003	9/18/2003	Clovis USD	Deferred Maintenance Programs. Education Code Sections 17582, 17583, 17584, 17584.1, 17584.2, 17585, 17586, 17587, 17588, 17589, 17590, 17591, 17592, 49410, 49410.2, 49410.5, 49410.7, as added or amended by Stats. 1979, Chapter 282; Stats. 1980, Chapters 40 and 1354; Stats. 1981, Chapters 371, 649 and 1093; Stats. 1982, Chapter 525; Stats. 1983, Chapters 753 and 800; Stats. 1984, Chapters 1234 and 1751; Stats. 1985, Chapters 759 and 1587; Stats. 1986, Chapters 886, 1258 and 1451; Stats. 1987, Chapters 917 and 1254; Stats. 1989, Chapters 83 and 711; Stats. 1990, Chapter 1263; Stats. 1996, Chapter 277; Stats. 1999, Chapter 390; and Stats. 2002, Chapters 1075 and 1084; and

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File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim: Subject Statutes; Executive Orders
				California Code of Regulations, Title 2, Sections 1866, 1866.1, 1866.2, 1866.3, 1866.4, 1866.4.1, 1866.4.2, 1866.4.3, 1866.4.4, 1866.4.6, 1866.4.7, 1866.5, 1866.5.1, 1866.5.2, 1866.5.3, 1866.5.4, 1866.5.5, 1866.5.6, 1866.5.7, 1866.5.8, 1866.5.9, 1866.7, 1866.8, 1866.9, 1866.9.1, 1866.10, 1866.12, 1866.13, 1866.14, and 1867.2; and the State Allocation Board's Deferred Maintenance Program Handbook of January 2003; Hereafter cited as Education Code Section 17582, et al.
02-TC-45	6/27/2003	4/28/2004	Clovis USD and Santa Monica CCD	<i>Design-Build Contracts</i> . Education Code Sections 17250.10; 17250.15, 17250.20, 17250.25, 17250.30, 17250.35, 17250.40, 17250.45, 17250.50 and 81700 as added and amended by Stats. 2001, Chapter 421 and Stats. 2002, Chapters 637 and 664
02-TC-46	6/27/2003	5/4/2004	Santa Monica CCD	<i>Discrimination Complaint Procedures</i> . <i>Government Code Sections 11135, 11136, 11137, 11137, 11138, and 11139 as added and amended by Stats. 1977, Chapter 972, Stats. 1992, Chapter 913; Stats. 1994, Chapter 146; Stats. 1999, Chapter 591; Stats. 2001, Chapter 708; and Stats. 2002, Chapters 300 and 1102; and California Code of Regulations, Title 5, Sections 59300, 59303, 59304, 59310, 59311, 59320, 59322, 59324, 59326, 59327, 59328, 59329, 59330, 59332, 59333, 59336, 59338, 59339, 59340, 59342, 59350, 59351, 59352, 59354, 59356, 59358, 59360 and 59362</i>
02-TC-47	6/27/2003	4/1/2004	Santa Monica CCD	<i>Community College Construction</i> . Education Code Section 81663, 81800, 81805, 81807, 81808, 81820, 81821, 81822, 81823, 81836, 81837 and 81839 as added and amended by Stats. 1980, Chapter 910, Stats. 1981, Chapters 470 and 891; Stats. 1990, Chapter 1372; Stats. 1991, Chapter 1038; and Stats. 1995, Chapter 758; and California Code of Regulations, Title 5, Sections 57001, 57001.5, 57001.7, 57002, 57010, 57011, 57013, 57014, 57015, 57016, 57033.1, 57050, 57051, 57052, 57053, 57054, 57055, 57060, 57061, 57062, 57063, 57150, 57152, 57154, 57156 and 57158
02-TC-48	6/27/2003	4/28/2004	Santa Monica CCD	<i>Deferred Maintenance</i> . Education Code Section 84660 as added and amended by Stats. 1981, Chapter 764 and Stats. 1990, Chapter 1372; California Code of Regulations, Title 5, Sections 57201, 57202, and 57205; and Preparation Guidelines for Scheduled maintenance and Hazardous Substances Project Funding Proposals of December 2001
02-TC-51	6/26/2003		Riverside USD	<i>California Public Records Act (K-14)</i> . Government Code Sections 6253, 6253.1, 6253.5, 6253.9, 6254.3, 6255 and 6259 as added or amended by Stats. 1975, Chapters 678 and 1246; Stats. 1977, Chapter 556; Stats. 1980, Chapter 535; Stats. 1982, Chapter 163; Stats. 1984, Chapters 802 and 1657; Stats. 1985, Chapter 1053; Stats. 1990 Chapter 908; Stats. 1992, Chapters 463 and 970; Stats. 1993, Chapter 926; Stats. 1994, Chapters 923; Stats. 1998, Chapter 620; Stats. 1999, Chapter 83; Stats. 2000, Chapter 982; and Stats. 2001, Chapter 355

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03-TC-01	7/9/2003	1/8/2004	San Diego USD	<i>School Bus Safety III</i> : Education Code Sections 38047.5, 38047.6, 38048, and 39831.5; and Vehicle Code Sections 22112, 22454, 27316, and 27316.5 as added or amended by Stats. 1999, Chapters 647 and 648; Stats. 2001, Chapter 581; Stats. 2002, and Chapters 360 and 397
03-TC-02	7/28/2003		Solana Beach School District	<i>Uniform Complaint Procedures (K-12)</i> : Education Code Sections 200, 220, 231.5, 250, 251, 253, 260, 261, 262.3, and 262.4; and Government Code Sections 11135, 11136, 11137, 11138, and 11139 as added or amended by Stats. 1977, Chapter 972; Stats. 1982, Chapter 1117; Stats. 1988, Chapter 1514; Stats. 1990, Chapter 1372; Stats. 1992, Chapters 417, 906, and 913; Stats. 1993, Chapter 1123; Stats. 1994, Chapter 146; Stats. 1998, Chapter 914; Stats. 1999, Chapters 587 and 591; Stats. 2001, Chapter 708; Stats. 2002, Chapters 300 and 1102; and Title 5, California Code of Regulations Sections 4600, 4610, 4611, 4620, 4624, 4622, 4630, 4631, 4632, 4640, 4650, 4651, 4652, 4660, 4661, 4662, 4663, 4664, 4665 and 4670
03-TC-03	8/29/2003	5/12/2004	San Diego USD	<i>Charter Schools IV</i> : Education Code Sections 1628, 42100, 47602, 47604.3, 47604.4, 47605, 47605.1, 47605.6, 47605.8, 47611.5, 47612.1, 47613.1, 47620, 47626, and 47652; Government Code Section 3540.1, as added or amended by Stats. 1999, Chapter 828 and Statutes 2002, Chapter 1058
03-TC-05	9/12/2003		Santa Monica CCD	<i>California Community Colleges Budget and Accounting Manual</i> : Title 5, California Code of Regulations, Section 59010; California Community Colleges Budget and Accounting Manual 2000 Edition
03-TC-06	9/22/2003		Castro Valley USD	<i>California English Language Development Test - 2</i> : Education Code Sections 48985, 52164, 52164.1, 52164.2, 52164.3, 52164.5, and 52164.6 as added or amended by Statutes 1977, Chapter 36; Statutes 1978, Chapter 846; Statutes 1980, Chapter 1339; Statutes 1981, Chapter 219; and Statutes 1994, Chapter 922; and Title 5, California Code of Regulations Sections 11300, 11301, 11302, 11303, 11304, 11305, 11306, 11307, 11308, 11309, 11310, 11316, 11510, 11511, 11511.5, 11512, 11512.5, 11513, 11513.5, 11514, 11516.5, and 11517

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File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim: Subject Statutes; Executive Orders
03-TC-07	9/22/2003	3/23/2004	Castro Valley USD	<i>Instructional Materials Funding Requirements</i> . Education Code Sections 60000, 60002, 60045, 60048, 60119, 60200, 60242, 60242.5, 60248, 60252, 60421, 60422, 60423, 60424, 60501, 60510.5, and 60521 as added or amended by Statutes 1976, Chapter 817; Statutes 1977, Chapter 36; Statutes 1979, Chapter 282; Statutes 1982, Chapter 1503; Statutes 1983, Chapter 498; Statutes 1985, Chapter 1440; Statutes 1985, Chapters 1470, 1546, and 1597; Statutes 1986, Chapter 211; Statutes 1987, Chapter 1452; Statutes 1989, Chapter 1181; Statutes 1991, Chapters 353, 529, and 1028; Statutes 1993, Chapter 56; Statutes 1994, Chapter 927; Statutes 1995, Chapters 325, 413, 534, and 764; Statutes 1996, Chapter 124; Statutes 1997, Chapter 251; Statutes 1999, Chapters 276 and 646; Statutes 2000, Chapter 461; Statutes 2002, Chapter 802; and Statutes 2003, Chapter 4; California Code of Regulations, Title 5, Sections 9505, 9530, 9531, 9532, and 9535; and Standards for Evaluating Instructional Materials for Social Content (2000 Edition)
03-TC-09	9/25/2003		San Diego County Office of Education	<i>Teacher Credentialing</i> . Education Code Sections 44225, 44225.7, 44300, 44301, 44326, 44327, 44332, 44830, 44830.3, 44842, 44885.5, 44901, and 45037, as added or amended by Statutes 1975, Chapter 228; Statutes 1981, Chapter 1136; Statutes 1982, Chapters 206, 436, 471, and 1388; Statutes 1983, Chapters 498, 536, 1038, and 1302; Statutes 1984, Chapter 482; Statutes 1985, Chapter 747; Statutes 1986, Chapter 989; Statutes 1987, Chapter 1468; Statutes 1988, Chapter 1355; Statutes 1989, Chapter 375; Statutes 1991, Chapter 590; Statutes 1992, Chapter 1050; Statutes 1993, Chapter 376; Statutes 1994, Chapters 673 and 922; Statutes 1996, Chapters 303 and 948; Statutes 1997, Chapter 934; Statutes 1998, Chapters 533 and 547; Statutes 1999, Chapters 281 and 381; Statutes 2001, Chapter 585; Statutes 2002, Chapters 1069 and 1087; and California Code of Regulations, Title 5, Sections 80005, 80016, 80020.4, 1, 80023.1, 80023.2, 80025, 80025.1, 80025.5, 80026, 80026.1, 80026.5, 80026.6, 80027, 80035, 80035.5, 80036, 80036.1, 80036.3, 80037, 80037.5, 80038, 80040, 80043, 80045, 80047.2, 80047.4, 80048.2, 80048.3, 80054, 80055.1, 80055.2, 80058.2, 80070.2, 80070.3, 80070.4, 80070.6, 80071.4, 80413.3, 80556, 80556.1, and 80601
03-TC-16	9/29/2003	5/27/2004	San Jose USD	<i>Parental Involvement Programs</i> . Education Code Sections 11500, 11501, 11502, 11503, 11504, 11506, 49091.10, 49091.14, 51101, 51101.1, as added or amended by Statutes 1990, Chapter 1400; Statutes 1998, Chapters 864 and 1031; Statutes 2001, Chapter 749; and Statutes 2002, Chapter 1037

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File Number	Original Filing Date	Record Close Date	Claimant	Name of Test Claim: Subject Statutes; Executive Orders
03-TC-17	9/29/2003	4/2/2004	Clovis USD	<i>California Environmental Quality Act (CEQA)</i> . Education Code Section 17025; Government Code Sections 66031 and 66034; and Public Resources Code Sections 21002.1, 21003, 21003.1, 21080.09, 21080.1, 21801.3, 21080.4, 21081.6, 21082, 21082.1, 21082.2, 21083, 21083.2, 21091, 21092, 21092.1 through 21092.6, 21094, 21100, 21102, 21150, 21151, 21151.2, 21151.8, 21152 through 21154, 21157, 21157.1, 21157.5, 21158, 21161, 21165 through 21167, 21167.6, 21167.6.5, 21167.8 and 21168.9 as added or amended by Statutes 1970, Chapter 1433; Statutes 1972, Chapter 1154; Statutes 1975, Chapter 222; Statutes 1976, Chapter 1312; Statutes 1977, Chapter 1200; Statutes 1983, Chapter 967; Statutes 1984, Chapters 571 and 1514; Statutes 1985, Chapter 85; Statutes 1987, Chapter 1452; Statutes 1989, Chapters 626 and 659; Statutes 1991, Chapters 905, 1183, and 1212; Statutes 1993, Chapters 375, 1130, and 1131; Statutes 1994, Chapters 1230 and 1294; Statutes 1995, Chapter 801; Statutes 1996, Chapters 277, 444, 547, and 799; Statutes 1997, Chapter 415; Statutes 2000, Chapter 738; Statutes 2001, Chapter 867; Statutes 2002, Chapter
				and California Code of Regulations, Title 5, Sections 14011 and 57121; and California Code of Regulations, Title 14 Sections 15002, 15004, 15020, 15021, 15022, 15025, 15041 through 15043, 15050, 15053, 15060, 156061 through 15064, 15604.5, 15604.7, 15605, 15070 through 15075, 15081.5, 15082, 15084 through 15095, 15100, 15104, 15122 through 15126.6, 15128 through 15130, 15132, 15140, 15142, 15143, 15145, 15147 through 15150, 15152, 15153, 15162, 15164 through 15168, 15176 through 15179, 15184 through 15186, 15201, 15203, 15205, 15206, 15208, 15223, 15225, and 15367; and the California State Clearinghouse Handbook – 2000

